

The Mining Journal

ANALYSIS OF RAND AND O.F.S. QUARTERLIES

MARKET INDIFFERENT TO EXCELLENT SEPTEMBER QUARTERLY RESULTS

It would be an easier task this quarter to write about the fall and rise of Gomulka or the impact of "Titoism" on the principles and practice of communism than to explain away why *The Financial Times* Gold Share Index has now dropped so low it would be a hard task for it to reach up and touch the 1926 bottom.

One can only suppose that one of the operative factors contributing to the weakness in Kaffirs was the absence of anything more than a non-committal grunt from the members of the International Monetary Fund concerning the possibilities of increasing the price of gold. Yet it would be hope misplaced to expect anything more. The meetings of the I.M.F. provide only the rostrum from which representatives of the various member countries can "test the market" for their own particular interests.

Even if an upward adjustment in the gold price was under favourable consideration in the United States, the annual meeting of the I.M.F. would be the last place in the world from which such a situation would be made known.

For this reason a great deal more care should be taken than is often the case to try and understand the arguments advanced for a rise in the price of gold.

The apparent indifference to the *procès verbale* of the meetings springs mainly from the fact that once it is known that the U.S. Treasury has again rejected the idea of a higher gold price all the worthwhile information emanating from the meeting has then been said.

Too, the annual pilgrimage to Washington of the South African finance ministers to state the Union's case for a rise in the gold price has, unfortunately, come to be regarded as a hardy perennial and not to be taken seriously. Be that as it may, too little credit has been given to South African finance ministers for their constant reiteration of the gold price problem which, couched as it always is in sound economic terms has eroded away many of the prejudices previously existing against such a step being taken.

SOUTH AFRICA'S CASE

At the last International Monetary Fund meeting held at the end of September last Mr. Naude, the South African finance minister, in presenting his case for a higher gold price pointed out that gold production in 1955 increased by less than £50,000,000 which was certainly a very modest figure compared with the urgent need for a substantial increase in the reserves of most of the non-dollar countries. A number of gold mines closed last year and had it not been for an appreciable expansion in South Africa's production, total gold output would have shown a

substantial decline. In this connection, he reminded the I.M.F. that the increase in South African gold output was largely fortuitous in that the by-product output of uranium had enabled a number of gold mines to continue in operation which otherwise would have been compelled to cease mining activities. Furthermore, the falling off in production from many of the older mines on the Rand has been masked by the greatly increased gold yield from the new mines.

CONTENTS

Editorial Comment	1, 7, 13, 15
Essential Information for Investors in Gold Shares	17, 20
"M.J." Cumulative Index and Comparative Analysis of all Quarterly Returns	2-3
Individual Group Results (July-September, 1956)—	
New Consolidated Gold Fields	4-5
Union Corporation	6-7
Johannesburg Consolidated	8-9
Spaarwater Gold Mining	9
Witwatersrand Nigel	9
Anglo American Corporation	10-13
Central Mining and Investment	14-15
General Mining and Finance	16
Anglo-Transvaal Consolidated	18-20

Because of the advance in total South African production the problem of the gold price was not viewed as urgent. How erroneous this impression was, he said, could be easily explained by the fact that a number of mines had either reached, or were approaching the point where, because of the lack of reserves of higher grade ore, it was no longer possible for them to raise the grade of ore mined to preserve a reasonable profit margin. Already large bodies of ore in both the old and the new mines could not be mined economically, and thus several millions of ounces of gold have been permanently lost to South Africa, and to the world at large. Added to the actual loss of foreign exchange earnings, which this represents, it must also be appreciated that there was a further concealed loss on actual gold production as a result of the reduction in the purchasing power of gold.

Having put the situation appertaining to the South African gold mining industry before the meeting, Mr. Naude continued in more general terms and in fact, if not in form, asked the member countries of the I.M.F. to do some re-thinking

on the rôle of gold in the world today.

His view was that the real obstacle to a change in the gold price stemmed from the belief — perhaps subconsciously — that to serve as a relatively stable measure of value the price of gold should remain fixed indefinitely. Twenty or thirty years ago this assumption undoubtedly had a large measure of validity, because the former conception of an orthodox gold standard was that every citizen had the right to convert his paper money into gold, and gold itself was allowed to exercise control over the volume of paper money and hence over the price level of commodities. The event that killed the gold standard was the "crash" and with the disappearance of internal gold convertibility, no fiscal mechanism existed to control the issue of paper money. In consequence gold now bears little relation to the purchasing power of paper money. In fact, Mr. Naude declared, the position today is that instead of gold controlling the value of paper money, its own value or purchasing power is expected to conform to that of paper currencies.

Whether a sound and stable monetary system could be built up on this basis, Mr. Naude thought was questionable. But, he said, assuming that the world is not prepared to submit to the full discipline of the gold standard, it would have to face an adjustment in the gold price after the purchasing power of paper money had declined in order to offset the effects of such a decline on international liquidity. The I.M.F. in its regulations recognized this possibility and made provision for a uniform change in the par values of the currencies of all its members. And this readjustment, the South African Finance Minister believed, was overdue in view of the appreciable changes in the purchasing power of all currencies which have taken place since the pre-war period.

How much Mr. Naude's arguments have done to bring the day nearer when the price of gold will be raised to a more realistic level is still anybody's guess. Yet, there can be no doubt that the climate of world opinion is definitely beginning to side with South Africa on this question. There is also no doubt whatsoever that gold is underpinning a very important share of the world's trade — a task which scarce dollars and weak sterling cannot achieve by themselves.

THE U.S. POSITION

As expected the spokesman for the U.S. Treasury at the I.M.F. meeting flatly rejected the idea of an increase in the price of gold. However, in arriving at this foregone conclusion the Hon. W. Randolph Burgess stated that the United States would continue to oppose

(Continued on page 7)

FINANCIAL RESULTS

(Cumulative and comparative "this" financial year to September 30, 1956 with "last.")

GROUP	COMPANY	ORDINARY SHARES IN ISSUE	Months since year end	PROFIT AND LOSS RESULTS £(000)								Current financial year's capital expenditure (Gold) £(000)	EARNINGS, DIVIDENDS & YIELD							
				Working Profit		Uranium Profit (d)		Taxation and/or Mining Lease		Net Profit After Tax**			Earned in current year to date**	Paid				Yield on Price 26/10/56 (0/0)		
														1955-56		1954-55				
				This	Last	This	Last	This	Last	This	Last			s. d.	s. d.	s. d.	s. d.			
Gold Fields	D'nfontein	9,828,000 (10/-)	3	366.1	255.3	—	—	—	—	369.7	255.3	179.7	9d.	—	—	—	—	0.0		
	Libanon	7,937,300 (10/-)	3	165.8	178.9	—	—	—	—	172.6	178.9	79.4	5d.	3½	3½	3	3	7.9		
	Lulpaards Vlei	4,969,105 (2/-)	3	33.7	77.1	104.5	63.9	50.0	—	93.7	141.0	5.1	4d.	9	7½	7½	7½	13.4		
	Rietfontein C.	1,122,252 (5/-)	9	161.1	177.5	—	—	69.9	86.6	94.5	90.9	2.8	1/8	1 1	1 2	1 1	1 3	25.7		
	Robinson Deep	2,000,000 n(7/6)	9	36.9	173.5	—	—	8.3	57.3	165.2	44.3	7d.	3	1 6	1 6	1 6	1 9	18.8		
	Simmer	6,750,000 (2/6)	9	149.6	155.9	—	—	7.1	9.8	161.7	146.1	9.7	6d.	5	5	4	5½	20.2		
	Sub Nigel	1,771,875 (10/-)	3	180.5	248.6	—	—	78.2	114.1	109.0	134.5	1.6	1/3	3 0	3 3	3 6	3 6	26.3		
	Venterspost	4,900,000 (10/-)	3	209.8	235.7	—	—	57.9	71.0	161.6	164.7	15.2	8d.	9	7½	6	6	10.5		
	Vlakfontein	6,000,000 (10/-)	9	702.7	656.7	—	—	270.1	263.9	441.7	392.8	86.4	1/6	9	8	8	7½	8.2		
	Vogels	5,028,571 (10/-)	9	787.4	1012.8	240.0	169.8	383.5	410.4	660.3	772.2	12.5	2/8	1 8	1 8	1 7½	1 6	26.1		
W. Drie	7,041,080 (10/-)	3	1719.9	1309.2	—	—	644.9	441.1	1042.5	868.1	368.2	3/-	2 9	2 6	2 3	1 9	5.0			
Anglo American	Brakpan	4,600,000 (5/-)	9	126.6	135.2	—	—	12.8	14.9	126.1	120.3	1.0	7d.	4½	7½	4½	6	16.6		
	Dagga	7,000,000 (5/-)	9	2581.3	2849.4	827.6	762.6	1970.7	2120.0	1473.0	1492.0	112.0	4/2	2 9	3 0	2 9	3 0	14.8		
	East Dagga	3,730,000 (10/-)	9	321.1	417.2	—	—	125.3	188.1	206.9	229.1	2.5	1/1	9	10½	9	9	19.1		
	F. S. Geduld (f)	8,798,756 (5/-)	12	427.2	—	—	—	—	—	433.0	—	1838.7	1/-	—	—	—	—	0.0		
	Lorraine (f)††	16,453,372 (10/-)	12	L253.3	—	—	—	—	—	L247.6	—	923.8	—	—	—	—	—	0.0		
	P. Brand ††	13,000,000 (5/-)	12	4260.1	—	275.1	—	—	—	4564.9	—	975.9	7/-	2 0	1 6	1 0	—	6.1		
	P. Steyn ††	13,000,000 (5/-)	12	2294.7	—	400.5	—	—	—	2705.9	—	421.2	4/2	1 0	9	6	—	5.3		
	S.A. Lands	2,475,000 (3/6)	9	583.9	504.1	—	—	263.6	223.1	333.7	281.0	12.7	2/8	1 6	1 6	1 4½	1 6	12.3		
	Springs	10,110,000 (5/-)	9	104.7	83.3	—	—	12.2	12.2	103.2	71.1	—	2d.	2½	5½	—	2½	26.4		
	Vaal Reefs (k)	10,000,000 (5/-)	9	391.3	—	188.5	—	—	—	582.6	—	1387.6	1/2	—	—	—	—	0.0		
Central Mining	Welkom ††	12,250,000 (5/-)	12	419.3	—	—	—	—	—	432.4	—	1118.7	8d.	—	—	—	—	0.0		
	W. Holdings ††	7,496,376 (5/-)	12	2309.3	—	—	—	—	—	2330.1	—	1226.0	6/2	2 0	1 6	1 6	—	4.8		
	W. Reefs	7,000,000 (5/-)	9	450.9	500.0	740.4	640.4	433.2	302.0	775.2	838.4	58.5	2/3	1 3	1 3	1 3	1 3	8.8		
	Blyvoor	24,000,000 (2/6)	3	1358.6	1428.0	166.5	179.3	799.6	898.5	765.7	719.1	108.4	8d.	1 0	1 0	1 1	1 2	8.8		
	City Deep	2,026,832 (£1)	9	29.4	1.0	—	—	—	2.2	77.7	88.3	81.1	9d.	—	—	—	—	0.0		
	Cons. M.R.	1,247,602 (£1)	3	30.6	66.2	—	—	2.1	2.4	42.2	73.9	—	8d.	2 0	2 6	2 6	2 0	29.5		
	Crown Mines	1,886,125 (10/-)	9	202.1	450.5	—	—	30.9	130.0	277.9	653.0	7.2	2/11	3 0	3 6	3 6	3 6	20.3		
	Durban Deep	2,325,000 (10/-)	9	469.6	451.4	—	—	86.5	73.1	434.3	354.1	65.8	3/9	1 3	1 3	1 3	1 6	9.5		
	E. Rand Prop.	3,960,000 (10/-)	9	1608.1	1461.5	—	—	500.9	510.1	1194.7	1042.2	413.8	6/1	2 0	2 0	1 9	1 9	8.6		
	Harmony	18,000,000 (5/-)	3	510.8	374.7	139.0	145.4	0.1	—	668.0	528.8	490.0	9d.	6	—	—	—	0.0		
J.C.L.	Modder B.	2,800,000 (1/-)	9	1.8	9.3	—	—	2.4	4.0	23.6	46.8	—	2d.	—	—	—	—	0.0		
	Modder E.	930,805 (£1)	3	26.1	24.8	—	—	4.8	3.5	29.6	24.0	—	8d.	1 0	1 3	1 6	1 6	23.1		
	New Modder	2,800,000 (3/-)	3	5.0	4.3	—	—	0.9	0.3	5.3	4.9	—	—	—	—	—	—	0.0		
	Rose Deep	700,000 (11/6)	9	4.7	63.4	—	—	3.3	10.3	13.2	111.2	0.3	4d.	—	—	—	—	0.0		
	T'vaal G.M.E. ‡	952,500 (£1)	9	L5.9	3.7	—	—	—	—	26.9	33.5	cr1.6	6d.	5	3	6	6	—		
	Weigedacht	1,358,030 (10/-)	3	3.1	1.6	—	—	—	—	m59.8	1.8	—	11d.	—	—	—	—	—		
	E. Ch'p'd'Or	2,079,000 (2/6)	9	h56.7	††	(j)	—	13.5	—	44.0	55.1	—	5d.	3	4	3	—	16.6		
	Freddies Cons.	16,359,913 (£1)	9	Lh170.1	††	(j)	—	—	—	L207.8	L323.8	140.2	—	—	—	—	—	0.0		
	Govt. G.M.A.	5,600,000 (5/-)	9	16.3	140.2	—	—	20.6	33.8	138.5	194.3	26.2	6d.	3	3	4½	7½	14.2		
	Randfontein	4,063,553 (£1)	9	h930.3	††	(j)	—	12.7	—	935.0	844.8	174.7	4/7	2 6	2 6	2 0	2 0	14.3		
Union Corporation	E. Geduld	9,000,000 (4/-)	9	2858.3	3124.3	—	—	1543.9	1744.0	1409.0	1434.5	6.5	3/2	2 0	2 3	2 0	2 0	14.3		
	Geduld Prop.	1,460,857 (£1)	9	294.4	406.8	—	—	94.9	169.3	582.4	600.3	—	8/-	6 9	8 0	6 9	6 9	20.0		
	Grootvlei	11,438,816 (5/-)	9	2057.9	2207.0	—	—	1064.0	1195.7	1056.8	1032.3	3.1	1/10	1 1	1 4	1 1	1 1	12.6		
	Marievale	4,500,000 (10/-)	9	775.5	801.5	—	—	382.4	403.8	418.8	401.9	34.7	1/10	1 0	1 3	1 0	1 1	11.8		
	St. Helena	9,625,000 (10/-)	9	1513.9	1185.3	—	—	—	—	1493.1	1146.1	904.8	3/1	7	6	—	—	3.8		
	Van Dyk	5,532,000 (10/-)	9	14.5	18.1	—	—	—	—	31.7	19.7	4.4	2d.	—	—	—	—	0.0		
General Mining	Ellaton	787,500 (5/-)	3	61.4	110.6	37.0	23.9	—	—	n101.0	134.5	—	2/7	—	—	—	—	—		
	Stilfontein	13,062,920 (5/-)	9	1857.2	1865.6	269.9	180.2	—	—	2152.6	2045.8	762.6	3/3	6	6	6	6	3.8		
	S. Roopepoort	1,420,662 (10/-)	3	72.1	65.2	—	—	30.1	21.6	46.1	45.4	7.8	8d.	1 ½	10½	10½	9	—		
	W. Rand	4,250,000 (10/-)	9	h1930.8	††	(j)	—	767.0	763.0	1070.7	1024.0	150.4	h13/9	1 9	2 0	1 9	2 0	12.2		
Anglo-Trial	Hartebeest	9,000,000 (10/-)	3	570.6	217.8	—	—	—	—	557.0	195.5	414.0	1/3	1 0	—	—	—	0.0		
	Klerksdorp (g)	300,000 (5/-)	9	L47.0	L15.8	92.1	18.4	—	—	47.5	1.5	4.5	3/2	—	—	—	—	0.0		
	Rand Leases	3,600,000 (10/-)	3	13.2	100.7	—	—	1.1	4.0	28.1	104.2	43.8	3d.	3	6	6	6	14.2		
	Village M.R.	6,068,457 (1/3)	3	25.8	27.9	—	—	6.0	9.8	22.1	19.3	5.9	1d.	1½	1½	1½	1½	—		
	Virginia ††	13,278,952 (5/-)	9	298.2	129.0	754.8	81.8	—	—	903.8	55.2	780.2	1/4	—	—	—	—	0.0		
	Merriespruit (f)	9,001,348 (5/-)	3	36.4	—	6.2	—	—	—	L4.3	—	474.6	—	—	—	—	—	0.0		
Others	N. Kleinfontein	1,735,000 (£1)	9	17.1	50.2	—	—	0.3	1.5	25.5	48.7	—	4d.	—	—	3	9	6.2		
	Spaarwater	7,974,968 (5/-)	9	4.6	10.8	—	—	—	—	5.9	10.8	2.2	—	—	—	—	—	—		
	W. Nigel	7,974,720 (2/6)	3	21.3	23.2	—	—	—	—	24.0	25.1	30.9	1d.	—	1½	—	1½	6.6		

**Includes Sundry Revenue less Sundry Expenses ††Calculated on Net Profit after Tax *Calculated on Stopping Width §§After deferred shares participation *Also loan capital and/or loans other than uranium Italics: Scheduled Uranium Producers L indicates loss ‡Profit figures take into account £19,375 from sale of copper/gold concentrates ††Previous years' figures not comparable (a) Also 25,000 deferred shares (£1) which take first 25% of distributable profits (b) Including 6d. additional payment (d) After deduction of interest on and redemption of uranium loans (e) Including 3d. additional payment (f) Production began May 1955

(Continued on opposite page)

DEVELOPMENT AND MILLING RESULTS

(Cumulative and comparative "this" financial year to September 30, 1956 with "last.")

GROUP	COMPANY	Months since year end	TOTAL ORE RESERVES			DEVELOPMENT RESULTS										MILL THROUGHPUT									
						Payability						Tonnage				Gold Recovered						Working Profit			
			Tons (000)	Value (dwt.)	Inch dwt.	Ft. Sampled (000)		%		Av. Value (In.-dwt.)		Milled (000)		Cost per Ton		Ounces (000)		Grade (dwt.perton)		Cost per ounce		Per ton		Per oz.	
						This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last
Gold Fields	D'fontein	3	1,246	6.9	276	4.0	3.2	87	93	432*	456*	214	152	65/1	66/11	84.7	60.7	7.9	8.0	165/-	167/7	34/2	33/7	86/5	84/1
	Libanon	3	2,399	4.7	234	4.0	3.3	77	72	283*	270*	291	293	44/7	42/-	64.7	63.2	4.4	4.3	200/9	194/10	11/5	12/3	51/3	56/7
	Luipaards Vlei	3	2,040	4.4	178	6.5	5.7	66	60	226*	251*	255	272	42/6	42/1	45.7	51.6	3.6	3.8	237/3	221/11	2/8	5/8	14/9	29/11
	Rietfontein C.	9	339	5.1	272	6.3	4.4	40	34	471*	353*	238	238	42/11	41/10	52.7	53.7	4.5	4.5	189/3	185/3	13/10	14/11	61/2	66/1
	Robinson D'p.	9	1,076	4.4	229	3.9	3.6	59	56	331*	337*	709	745	49/2	49/2	142.3	159.4	4.0	4.3	245/2	229/9	1/-	4/8	5/2	21/9
	Simmer	9	1,143	4.2	203	18.3	14.7	51	46	300*	241*	916	1,075	40/7	39/1	160.5	179.6	3.5	3.3	231/8	234/-	3/3	2/11	18/8	17/4
	Sub Nigel	3	987	7.7	293	6.8	7.9	24	24	309*	347*	200	199	56/-	54/11	58.8	63.4	5.9	6.3	190/-	172/10	18/1	24/11	61/4	78/5
	Venterspost	3	2,590	5.4	291	8.0	6.5	62	63	545*	250*	376	371	48/4	46/-	88.8	86.5	4.7	4.7	204/10	197/3	11/2	12/8	47/3	54/6
	Vlakfontein	9	1,504	8.3	337	20.0	20.9	41	45	396*	355*	395	348	54/5	53/1	142.2	127.7	7.2	7.3	151/3	148/6	35/7	37/9	98/10	102/10
	Vogels	9	2,885	5.4	227	28.6	20.6	29	34	260*	233*	903	926	45/-	43/1	224.6	238.9	5.0	5.2	181/1	167/1	17/5	21/11	70/2	84/9
W. Drie	3	1,438	16.8	707	5.5	4.7	100	100	781*	979*	225	213	80/10	71/2	208.5	164.0	18.5	15.4	87/3	92/5	152/11	122/11	165/-	159/8	
Anglo American	Brakpan	9	2,777	4.8	221	35.0	35.9	27	28	658	676	961	960	40/2	40/1	163.5	163.9	3.4	3.4	236/4	234/9	2/8	2/10	15/6	16/6
	Dagga	9	12,768	5.3	234	19.5	32.4	30	34	365	398	1,986	2,033	31/-	29/5	449.5	464.4	4.5	4.6	136/11	128/8	26/-	28/-	114/10	122/9
	East Dagga	9	4,206	4.2	178	26.7	31.9	25	24	391	332	857	864	33/11	32/3	141.1	144.0	3.3	3.3	206/1	193/3	7/6	9/8	45/6	57/11
	F. S. Geduld	12	1,264	16.2	753	11.1	—	97	—	1,194	—	352	—	70/4	—	132.8	—	7.5	—	186/8	—	24/3	—	64/4	—
	Lorraine	12	1,102	4.2	186	34.5	—	32	—	465	—	566	—	52/11	—	99.1	—	3.5	—	302/4	—	18/11	—	L51/2	—
	P. Brand	12	2,501	17.96	865	17.8	—	92	—	1,176	—	652	—	66/11	—	512.7	—	15.7	—	85/2	—	130/8	—	166/2	—
	P. Steyn	12	3,102	8.87	418	19.9	—	65	—	536	—	1,048	—	50/7	—	393.8	—	7.5	—	134/8	—	43/9	—	116/6	—
	S. A. Lands	9	3,679	5.6	238	24.4	25.9	33	41	385	467	810	846	38/-	35/9	168.9	160.7	4.2	3.8	182/2	188/4	14/5	11/11	69/6	62/9
	Springs	9	2,347	4.8	211	10.8	14.7	19	28	297	363	1,135	1,080	28/8	31/3	137.9	141.0	2.4	2.6	236/4	239/5	1/10	1/7	15/2	11/10
	Vaal Reefs (k)	9	—	—	—	14.2	—	90	—	631	—	240	—	56/8	—	85.5	—	7.1	—	159/2	—	32/7	—	91/6	—
Welkom	12	3,350	6.3	304	20.9	—	85	—	483	—	1,015	—	47/8	—	225.8	—	4.4	—	214/5	—	8/3	—	37/2	—	
W. Holdings	12	3,073	11.2	516	14.3	—	87	—	961	—	932	—	51/11	—	376.5	—	8.1	—	128/6	—	49/6	—	122/8	—	
W. Reefs	9	4,375	5.1	238	30.6	23.7	52	47	453	505	1,089	1,064	42/1	37/11	217.7	200.2	4.0	3.8	210/5	201/5	8/3	9/5	41/5	49/11	
Central Mining	Blyvoor	3	6,865	12.1	559	5.3	3.4	91	87	947	665	328	332	57/1	55/11	183.5	187.2	11.2	11.3	103/6	99/2	82/10	86/-	148/1	152/7
	City Deep	9	4,404	6.1	260	24.2	27.0	41	40	335	351	1,371	1,456	48/-	47/-	265.3	275.5	3.9	3.7	247/11	251/4	5d.	—	2/3	1d.
	Cons. M.R.	3	3,021	3.9	209	7.6	5.8	26	31	264	326	505	532	33/9	32/8	70.3	74.4	2.8	2.8	242/7	233/9	1/3	2/6	8/8	17/10
	Crown Mines	9	10,297	4.9	238	46.9	36.5	36	36	315	311	575	2,708	37/3	36/9	399.5	432.2	3.1	3.2	239/11	230/5	1/7	3/4	10/1	20/10
	Durban Deep	9	8,982	4.1	249	26.0	27.9	52	39	391	379	464	1,624	37/5	36/11	283.5	274.1	3.4	3.4	217/2	218/6	5/9	5/7	33/2	32/11
	E. Rand Prop.	9	6,290	6.1	288	13.1	10.5	47	51	465	543	1,919	1,916	47/9	45/7	494.7	463.6	5.2	4.8	185/2	188/4	16/9	15/3	65/-	63/1
	Harmony	3	1,846	8.5	463	3.0	2.6	79	62	508	410	233	205	55/7	55/1	92.1	74.7	7.9	7.3	140/8	151/2	43/10	36/7	110/11	100/4
	Modder B.	9	50	3.0	162	—	—	—	—	—	—	456	509	23/5	25/-	42.6	51.3	1.9	2.0	250/8	248/5	1d.	4d.	10d.	3/8
	Modder E.	3	1,590	3.2	144	1.2	2.2	70	11	154	152	420	396	24/6	25/-	42.9	41.3	2.0	2.1	239/7	239/10	1/3	1/3	12/2	12/-
	New Modder	3	—	—	—	—	—	—	—	—	—	29	36	27/7	31/9	3.6	4.9	2.5	2.7	222/3	236/9	3/6	2/4	27/9	17/7
Rose Deep	9	584	4.3	248	5.1	9.2	47	24	267	426	397	533	39/11	36/10	63.6	83.0	3.2	3.1	248/11	236/3	3d.	2/5	1/6	15/3	
T'vaal G.M.E.	9	51	8.2	000	3.9	5.0	44	36	260	217	169	214	56/2	57/7	33.1	46.2	3.9	4.3	286/2	266/6	L8d.	4d.	L3/7	1/7	
Welgedacht	3	—	—	—	—	—	—	—	—	—	38	102	33/1	28/-	5.3	11.5	2.7	2.2	241/6	248/6	1/7	4d.	11/8	2/9	
J.C.I.	E. Ch. d'Or	9	—	—	—	—	—	—	—	—	—	126	179	(h)	—	7.6	14.0	1.2	1.6	—	—	—	—	—	—
	Freddes C.	9	885	5.0	205	8.2	8.2	67	65	409	327	547	735	(h)	—	111.5	117.8	4.1	3.2	—	—	—	—	—	—
	Govt. G.M.A.	9	3,797	3.2	173	9.6	14.8	35	39	256	256	2,113	2,293	32/-	30/3	268.6	283.8	2.5	2.5	252/1	244/2	2d.	1/3	1/3	9/11
	Randfontein	9	3,797	3.2	173	9.6	14.8	35	39	256	256	2,113	2,293	32/-	30/3	268.6	283.8	2.5	2.5	252/1	244/2	2d.	1/3	1/3	9/11
Union Corporation	East Geduld	9	10,700	5.8	302	5.1	6.1	47	70	248	427	1,297	1,345	33/2	30/10	400.3	413.8	6.2	6.2	107/5	100/3	44/1	46/6	142/10	151/-
	Geduld Prop.	9	1,500	3.6	194	11.0	8.0	38	33	302	260	933	921	33/6	32/1	148.3	149.6	3.2	3.2	210/9	197/3	6/4	8/10	39/8	54/5
	Grootvlei	9	15,500	4.6	216	17.1	15.4	49	51	218	249	1,754	1,750	30/5	29/1	378.0	378.6	4.3	4.3	141/2	134/7	23/5	25/3	108/11	116/7
	Marievale	9	4,500	5.4	254	19.0	22.2	36	46	261	235	639	643	41/5	40/2	167.7	166.6	5.2	5.2	157/10	155/-	24/3	24/11	92/6	96/3
	St. Helena	9	3,000	6.0	330	11.6	14.2	57	54	412	392	962	937	41/2	40/10	279.1	245.2	5.8	5.2	141/8	156/4	31/6	25/3	108/6	96/8
	Van Dyk	9	800	3.8	171	13.9	16.1	23	26	280	302	720	722	40/2	41/-	116.9	119.1	3.2	3.3	247/7	248/4	5d.	6d.	2/6	3/-
General Mining	Ellaton	3	576	6.3	279	2.0	3.4	50	43	303	252	98	94	41/9	44/6	21.2	25.5	4.3	5.4	193/3	164/8	12/6	23/5	58/-	86/8
	Stilfontein	9	3,506	8.7	312	12.6	12.5	89	80	490	328	801	757	52/-	49/5	315.2	297.3	7.9	7.9	132/3	125/11	46/4	49/3	117/10	125/6
	S. Roodepoort	3	1,110	4.8	226	3.1	5.0	35	39	258	295	87	83	41/10	40/6	20.3	18.7	4.7	4.5	179/2	181/-	16/7	15/7	71/-	69/9
	W. Rand	9	5,900	3.2	163	18.4	16.5	58	61	323	271	2132	2130	—	—	218.7	247.3	2.0	2.3	—	—	—	—	—	—
Anglo T'va	Hartebeest	3	1,682	9.6	388	4.6	6.9	92	95	464	400	201	141	65/9	65/8	98.0	54.1	9.8	7.7	336/9	170/11	56/9	30/11	116/5	80/6
	Klerksdorp (g)	9	243	2.6	116	2.5	4.2	24	33	192	141	98	101	38/2	34/4	11.1	12.5	2.3	2.5	133/9	277/1	L9/7	L3/2	L84/8	L25/3
	Rand Leases	3	3,852	4.0	189	8.8	10.9	46	45	220	278	548	568	38/1	36/2	84.1	89.7	3.							

NEW CONSOLIDATED GOLD FIELDS LIMITED

Registered Office: 49 MOORGATE, LONDON, E.C.2.

Extracts from Mining Companies' Directors' Reports for Quarter ended 30th September, 1956

DOORNFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £4,914,000 IN 9,828,000 SHARES OF 10s. EACH

Tons milled 214,500, yielding 84,660.00 ounces fine gold. Yield per ton 7.894 dwt.		
	Per Ton	
	Milled	
Working Revenue	£1,064,831	s. d.
Working Expenditure	698,780	99 3
		65 1
WORKING PROFIT	£366,051	34 2

NOTE.—Working Revenue does not include an amount of £8,378 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

Expenditure on Capital Account £179,723

In addition expenditure on capital account in connection with the uranium project amounted to £24,742.

Government Taxes Nil

DEVELOPMENT.—The total footage advanced during the quarter amounted to 17,744 ft. The footage sampled amounted to 3,950 ft. of which 3,450 ft. equal to 87.3 per cent. proved payable at an average value of 10.8 cwt. per ton over an estimated stoping width of 40.0 in., equivalent to 432 in.-dwt.

In addition 246 ft. of exploratory development was carried out under prospecting permits outside the northern boundary of the mine.

URANIUM.—Towards the end of September, 1956, trial runs were commenced in the Joint Uranium Plant situated on the West Driefontein property where uranium-bearing slimes pumped from this company's mine will be treated.

In terms of the loan arrangements the company became liable on 1st July, 1956, to commence repayment of its loan indebtedness and the first quarterly instalment of £4,800 was paid on 30th September, 1956.

THE LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY LIMITED

(Incorporated in England)
(Head Office: Johannesburg)

ISSUED CAPITAL £496,911 IN 4,969,105 SHARES OF 2s. EACH

MAIN REEF SECTION		
Tons milled	255,000	
Total yield in ounces fine	45,725.30	
Total yield per ton (dwt.)	3.586	
	Per Ton Milled	
	s. d.	£
Working Revenue	45 2	575,949
Working Expenditure	42 6	542,219
Working Profit	2 8	33,730
BIRD REEF SECTION		
Tons Milled	130,000	
Total yield in ounces fine	4,707.66	
	£	
Working Revenue	59,335	
Working Expenditure	416,057	
Working Profit from Uranium (subject to adjustment)	356,722	
Working Profit	549,722	
		193,000
TOTAL WORKING PROFIT.		226,730

NOTE.—Working Revenue does not include an amount of £5,495 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—Main Reef Section: £5,096 Bird Reef Section, £6,755, making a total of £11,851.

GOVERNMENT TAXES.—£49,977.

URANIUM.—The profit for the quarter amounting to £193,000 was arrived at before deducting the quarterly loan repayment instalment of £88,500 made up of Capital Redemption £62,169 and Interest £26,331.

DEVELOPMENT.—Main Reef Group.—The total footage advanced during the quarter amounted to 11,780 ft. The distance sampled amounted to 6,455 ft., of which 4,255 ft. equal to 65.9 per cent., proved payable, averaging 5.7 dwt. over a stoping width of 39.7 in., equivalent to 226 in.-dwt.

Bird Reef Group.—The footage accomplished on the Bird Reef Group totalled 18,091 ft. The footage sampled amounted to 5,245 ft. of which 4,215 ft., equivalent to 80.4 per cent. proved payable on a combined gold/uranium content.

WEST WITWATERSRAND AREAS LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £840,840 IN 6,726,720 SHARES OF 2s. 6d. EACH

During the quarter ended 30th September, 1956, drilling operations were confined to Borehole No. E.9R on farm Turrfontein No. 90, which was advanced 531 ft. to a depth of 790 ft. The borehole continued in leached dolomitic limestone and chert to 294 ft., and below that depth encountered solid dolomitic limestones with bands of chert.

VENTERSPOST GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £2,450,000 IN 4,900,000 SHARES OF 10s. EACH

Tons milled 376,000, yielding 88,760.00 ounces fine gold. Yield per ton 4.721 dwt.		
	Per Ton	
	Milled	
Working Revenue	£1,119,136	s. d.
Working Expenditure	909,340	59 6
		48 4
WORKING PROFIT	£209,796	11 2

NOTE.—Working Revenue does not include an amount of £9,663 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£15,222.

GOVERNMENT TAXES.—£57,853.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 16,234 ft. The distance sampled amounted to 8,015 ft., of which 4,950 ft., equal to 61.8 per cent proved payable, averaging 10.1 dwt. over a stoping width of 54.0 in., equivalent to 545 in.-dwt.

VOGELSTRUISBULT GOLD MINING AREAS LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £2,514,286 IN 5,028,571 SHARES OF 10s. EACH

Tons milled 300,000, yielding 72,249.93 ounces fine gold. Yield per ton 4.817 dwt.		
	Per Ton	
	Milled	
Working Revenue	£913,069	s. d.
Working Expenditure	685,021	60 10
		45 8
WORKING PROFIT	228,048	15 2
Profit from Uranium (subject to adjustment)		149,000
TOTAL WORKING PROFIT		£377,048

NOTE.—Working Revenue does not include an amount of £8,357 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£3,465.

GOVERNMENT TAXES.—£112,240.

URANIUM.—The profit for the quarter amounting to £149,000 was arrived at before deducting the quarterly loan repayment instalment of £72,000 made up of Capital Redemption £51,609 and Interest £20,391.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 13,906 ft. The distance sampled amounted to 10,900 ft., of which 2,560 ft., equal to 23.5 per cent., proved payable, averaging 6.2 dwt. over a stoping width of 45.4 in., equivalent to 281 in.-dwt.

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,520,540 IN 7,041,080 SHARES OF 10s. EACH

Tons milled 225,000, yielding 208,513.18 ounces fine gold. Yield per ton 18.535 dwt.		
	Per Ton	
	Milled	
Working Revenue	£2,629,937	s. d.
Working Expenditure	910,000	233 9
		80 10
WORKING PROFIT	£1,719,937	152 11

NOTE.—Working Revenue does not include an amount of £21,218 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£368,229.

In addition expenditure on capital account in connection with the uranium project amounted to £227,956.

TAXATION.—£483,744.

STATE'S SHARE OF PROFIT.—£161,205.

No. 5 SHAFT.—No. 5 Shaft was sunk a distance of 455 ft. during the quarter to a total depth of 2,709 ft. Water bearing ground requiring consolidation by means of cementation continued to retard progress during the quarter.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 14,814 ft. The footage sampled amounted to 5,545 ft., all of which proved payable at an average value of 18.6 dwt. per ton over an estimated stoping width of 42.0 in., equivalent to 781 in.-dwt.

URANIUM.—Towards the end of September, 1956, trial runs were commenced in the Joint Uranium Plant situated on this company's property where uranium-bearing slimes will be treated.

In terms of the loan arrangements the company became liable on 1st July, 1956, to commence repayment of its loan indebtedness and the first quarterly instalment of £53,700 was paid on 30th September, 1956.

FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £6,067,559 IN 12,135,118 SHARES OF 10s. EACH

No. 1 Shaft.—The shaft was sunk to a depth of 62 feet and construction of the headgear and erection of the hoist are progressing satisfactorily.

No. 2 Shaft.—Preliminary sinking operations commenced during July, and by the end of the period under review the shaft had been sunk to a depth of 42 ft. Good progress has been made with the construction of buildings in the vicinity of the shaft.

Housing.—The building of houses in Virginia Extensions Nos. 5 and 6 Townships has progressed satisfactorily. Five houses within the lease area of the mine have been completed and are occupied.

General.—A supply of electric power is now available at No. 2 Shaft Sub Station.

ROBINSON DEEP LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £750,000 IN 2,000,000 "B" SHARES OF 7s. 6d. EACH

Tons milled 243,000, yielding 45,763.00 ounces fine gold. Yield per ton 3.767 dwt.

		Per Ton Milled	s. d.
Working Revenue	£576,239	47	5
Working Expenditure	548,473	45	2
WORKING PROFIT	£27,766	2	3

NOTE.—Working Revenue does not include an amount of £5,418 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£325.

GOVERNMENT TAXES.—Nil.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 4,277 ft. The distance sampled amounted to 2,290 ft. of which 850 ft., equal to 37.1 per cent, proved payable, averaging 5.7 dwt. over a stoping width of 60.9 in., equivalent to 347 in.-dwt.

LIBANON GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,968,650 IN 7,937,300 SHARES OF 10s. EACH

Tons milled 291,000, yielding 64,672.99 ounces fine gold. Yield per ton 4.445 dwt.

		Per Ton Milled	s. d.
Working Revenue	£815,222	56	0
Working Expenditure	649,409	44	7
WORKING PROFIT	£165,813	11	5

NOTE.—Working Revenue does not include an amount of £6,817 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£79,358.

GOVERNMENT TAXES.—Nil.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 15,333 ft. The distance sampled amounted to 3,980 ft., of which 3,050 ft., equal to 76.6 per cent., proved payable, averaging 5.9 dwt. over a stoping width of 47.9 in., equivalent to 283 in.-dwt.

RIETFontein CONSOLIDATED MINES LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £280,563 IN 1,122,252 SHARES OF 5s. EACH

Tons milled 76,500, yielding 17,373.58 ounces fine gold. Yield per ton 4.542 dwt.

		Per Ton Milled	s. d.
Working Revenue	£218,909	57	3
Working Expenditure	167,260	43	9
WORKING PROFIT	£51,649	13	6

NOTE.—Working Revenue does not include an amount of £1,756 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£297.

GOVERNMENT TAXES.—£20,976.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 5,429 ft. The distance sampled amounted to 2,255 ft., of which 960 ft., equal to 42.6 per cent, proved payable, averaging 8.6 dwt. over a stoping width of 50.9 in., equivalent to 438 in.-dwt.

THE SUB NIGEL LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £885,937 IN 1,771,875 SHARES OF 10s. EACH.

Tons milled 199,500, yielding 58,766.31 ounces fine gold. Yield per ton 5.891 dwt.

		Per Ton Milled	s. d.
Working Revenue	£739,097	74	1
Working Expenditure	558,601	56	0
WORKING PROFIT	£180,496	18	1

NOTE.—Working Revenue does not include an amount of £6,676 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£1,566.

GOVERNMENT TAXES.—£78,184.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 8,834 ft. The footage sampled amounted to 6,805 ft., of which 1,630 ft., equal to 24.0 per cent., proved payable at an average value of 8.3 dwt. per ton over an estimated stoping width of 37.2 in., equivalent to 309 in.-dwt.

SIMMER AND JACK MINES LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £843,750 IN 6,750,000 SHARES OF 2s. 6d. EACH

Tons milled 306,000, yielding 54,575.18 ounces fine gold. Yield per ton 3.567 dwt.

		Per Ton Milled	s. d.
Working Revenue	* £686,950	44	11
Working Expenditure	630,819	41	3
WORKING PROFIT	£56,131	3	8

NOTE.—Working Revenue does not include an amount of £5,972 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£5,684.

GOVERNMENT TAXES.—£1,206.

STATE'S SHARE OF PROFIT.—£1,355.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 10,040 ft. The distance sampled amounted to 5,870 ft., of which 2,835 ft., equal to 48.3 per cent, proved payable, averaging 6.2 dwt. over a stoping width of 51.5 in., equivalent to 319 in.-dwt.

VLAKFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,000,000 IN 6,000,000 SHARES OF 10s. EACH

Tons milled 147,000, yielding 51,830.13 ounces fine gold. Yield per ton 7.052 dwt.

		Per Ton Milled	s. d.
Working Revenue	£652,586	88	9
Working Expenditure	394,850	53	8
WORKING PROFIT	£257,736	35	1

NOTE.—Working Revenue does not include an amount of £5,077 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.

EXPENDITURE ON CAPITAL ACCOUNT.—£16,004.

GOVERNMENT TAXES.—£103,678.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 11,032 ft. The footage sampled amounted to 7,540 ft., of which 2,830 ft., equal to 37.5 per cent, proved payable at an average value of 11.7 dwt. per ton over an estimated stoping width of 40.3 in., equivalent to 472 in.-dwt.

COAL INVESTIGATION.—The results of prospecting by boreholes of the coal deposit on farm Vlakfontein No. 8 and farm Rietfontein No. 8 have been examined and the economic prospects studied. Rand Selection Corporation Limited estimates that the coal field demarcated by drilling contains possibly 16 million tons of saleable coal with an average calorific value of 10,000 BTUs per lb., of which possibly 12 million tons occur on farm Vlakfontein No. 8 over which your Company holds the mineral rights. The coal lies at a depth generally less than 320 ft. from surface and has an average workable thickness of 12 ft. 1 in. The Board of your company has considered a report prepared by Rand Selection Corporation Limited on the economic prospects of the coal field and is not able to recommend exploitation of the coal at the present time due to inadequate markets for the products likely to result from production on a scale chosen to provide maximum economic advantage.

NOTES.—The development returns of the above Companies show the actual sampling results; adjustments which may be required when estimating ore reserves have not been applied.

Copies of the Reports, giving the percentage payability on each reef, may be obtained on application.

UNION CORPORATION, LIMITED.

(Incorporated in the Union of South Africa)

Directors' Reports of Gold Mining Companies Incorporated in the Union of South Africa, for Quarter ended
30th September, 1956.

London Office: Princes House, 95, Gresham Street, London, E.C.2.

EAST GEDULD MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £1,800,000 STOCK IN UNITS OF 4s. EACH

Tons Milled .. 442,000	Gold produced (in oz. fine) .. 136,145	Yield per Ton Milled (dwt.) .. 6.16	Per Ton Milled
			s. d.
Working Revenue	£1,713,456		77 6
Working Costs	732,929		33 2
WORKING PROFIT	980,527		44 4

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February, 1956/July, 1956

14,865

Sundry Revenue less Sundry Expenditure

995,392

10,213

TOTAL PROFIT (subject to Taxation and Government's Share)

£1,005,605

Estimated Taxation and Government's share of profit

£ 538,700

Capital Expenditure

£ 956

PAYABLE DEVELOPMENT

DEVELOPMENT : Footage driven 2,272, Footage sampled 1,885, Footage payable 875, % 46, Av. value dwt. 10.8, Width ins. 24, Inch/ dwt. 259.

Main Reef A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

GEDULD PROPRIETARY MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL .. £1,460,857 IN SHARES OF £1 EACH

Tons Milled .. 312,000	Gold Produced (in oz. fine) .. 49,397	Yield per Ton Milled (dwt.) .. 3.17	Per Ton Milled
			s. d.
Working Revenue	£621,801		39 10
Working Costs	531,611		34 1
WORKING PROFIT	90,190		5 9

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February, 1956/July, 1956

5,536

Sundry Revenue less Sundry Expenditure

95,726

5,809

TOTAL PROFIT (subject to Taxation)

£101,535

Estimated Taxation

£ 27,100

Capital Expenditure

£ Nil

PAYABLE DEVELOPMENT

DEVELOPMENT : Footage driven 4,250, Footage sampled 3,950, Footage payable 1,550, % 39, Av. value dwt. 5.6, Width ins. 54, Inch/ dwt. 300.

Kimberley Reef A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

THE GROOTVLEI PROPRIETARY MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £2,859,704 STOCK IN UNITS OF 5s. EACH

Tons Milled .. 595,000	Gold Produced (in oz. fine) .. 127,938	Yield per Ton Milled (dwt.) .. 4.30	Per Ton Milled
			s. d.
Working Revenue	£1,608,121		54 1
Working Costs	909,932		30 7
WORKING PROFIT	698,189		23 6

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February, 1956/July, 1956

14,109

Sundry Revenue less Sundry Expenditure

712,298

10,231

TOTAL PROFIT (subject to Taxation and Government's share)

£ 722,529

Estimated Taxation and Government's share of profit

£ 366,900

Capital Expenditure

£ Nil

PAYABLE DEVELOPMENT

DEVELOPMENT : Footage driven 7,012, Footage sampled 5,645, Footage payable 2,790, % 49, Av. value dwt. 16.6, Width ins. 15, Inch/ dwt. 249.

Kimberley Reef A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

MARIEVALE CONSOLIDATED MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £2,250,000 IN SHARES OF 10s. EACH

Tons Milled .. 216,000	Gold Produced (in oz. fine) .. 56,803	Yield per Ton Milled (dwt.) .. 5.26	Per Ton Milled
			s. d.
Working Revenue	£715,059		66 3
Working Costs	450,586		41 9
WORKING PROFIT	264,473		24 6

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February, 1956/July, 1956

6,277

Sundry Revenue less Sundry Expenditure

270,750

3,377

TOTAL PROFIT (subject to Taxation and Government's share)

£274,127

Estimated Taxation and Government's share of profit

£132,600

Capital Expenditure

£ 7,147

PAYABLE DEVELOPMENT

DEVELOPMENT : Footage driven 4,165, Footage sampled 3,135, Footage payable 1,040, % 33, Av. value dwt. 27.6, Width ins. 27, Inch/ dwt. 331.

Kimberley Reef A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

ST. HELENA GOLD MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL .. £4,812,500 IN SHARES OF 10s. EACH

Tons Milled .. 348,000	Gold Produced (in oz. fine) .. 100,425	Yield per Ton Milled (dwt.) .. 5.77	Per Ton Milled
			s. d.
Working Revenue	£1,262,122		72 6
Working Costs	708,341		40 8
WORKING PROFIT	553,781		31 10

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February, 1956/July, 1956

9,745

Sundry Expenditure less Sundry Revenue

563,526

12,535

TOTAL PROFIT (subject to Taxation and Government's share)

£ 550,991

Estimated Taxation and Government's share of profit

£ Nil

Capital Expenditure

£ 258,993

PAYABLE DEVELOPMENT

DEVELOPMENT : Footage driven 10,417, Footage sampled 4,555, Footage payable 2,510, % 55, Av. value dwt. 11.6, Width ins. 33, Inch/ dwt. 383.

Basal Reef A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

NO. 2 SHAFT was sunk 658 feet to a total depth of 3,168 feet below surface and 277 feet of station cutting was accomplished.

DIVIDEND : On 14th September, 1956, Dividend No. 2 of 7d. per share was declared payable to shareholders registered at 29th September, 1956. Dividend warrants will be posted about 8th November, 1956.

WINKELHAAK MINES, LTD.

(Incorporated in the Union of South Africa)

Issued Capital 12,000,000 shares of 10/- each

SHAFT SINKING

During the quarter No. 1A Ventilation Winze was completed at a depth of 859 feet and No. 3A Ventilation Winze at a depth of 874 feet.

At the end of the quarter the depths of the other shafts were as follows:

No. 1 Shaft 826 feet
No. 3 Shaft 1,160 feet
Station cutting from all shafts amounted to 528 feet during the quarter.

DEVELOPMENT

Development has been started from Nos. 1A and 3A Ventilation Winzes. 322 feet of crosscutting was done from No. 1A Ventilation Winze by the end of the quarter, but reef has not yet been intersected. The footage from No. 3A Ventilation Winze amounted to 872 feet. Of this footage 385 feet was sampled and 185 feet was found to be payable, averaging 14.2 dwt. over 48 inches, equivalent to 681 inch-dwt.

A discount has been applied to development values to conform with adjustments which will be necessary in estimating ore reserves.

SURFACE DRILLING

A programme of drilling was undertaken to determine the geological structure and reef characteristics in the shallow South-east corner of the

mine which had been very sparsely drilled by the prospecting company. To date seven boreholes have been completed and two others are in progress. In three of these the reef was faulted out while one had a value of 307 inch-dwt., and three gave values of the order of 75 inch-dwt., associated in some instances with slight loss of core.

BUILDINGS AND PLANT

The initial programme is now nearing completion and many of the permanent buildings are occupied.

EUROPEAN HOUSES

Some eighty-five houses in Evander Township are now occupied and work on the remainder is progressing favourably.

EXPENDITURE

Winkelhaak Mines, Limited

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to £500,110.

Evander Township, Limited

Capital expenditure by this Company amounted to £276,460.

VAN DYK CONSOLIDATED MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £2,766,000 IN SHARES OF 10s. EACH

Tons Milled .. 240,000	Gold Produced (in oz. fine) .. 38,955	Per Ton Milled .. 162.3
Yield per Ton Milled (dwt.) .. 3.25		
Working Revenue	£489,639	40 10
Working Costs	484,612	40 5
WORKING PROFIT	5,027	5
Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February, 1956/July, 1956	4,371	
	9,398	
Sundry Revenue less Sundry Expenditure	2,432	

TOTAL PROFIT (subject to Taxation and Government's share) **£ 11,830**

Estimated Taxation and Government's share of profit £ Nil
Capital Expenditure £ Nil

PAYABLE DEVELOPMENT

DEVELOPMENT :	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width ins.	Inch dwt.
Main Reef—all shafts ..	4,505	3,540	1,055	30	7.0	39	272
No. 5 Shaft area included above ..	1,390	1,190	495	42	6.5	43	280
Kimberley Reef ..	1,365	1,015	140	14	2.8	84	234

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

an increase because a rise in the price of gold would be contrary to their policy of maintaining a sound economy both domestically and abroad. In short, Mr. Burgess meant that the U.S. was still frightened that an increase in the price of gold would be inflationary. These arguments are well worn and, in the past, have worn well, but there is evidence now accumulating which suggests that no longer have they the same validity as in other years.

This arises largely because the gap is narrowing between the American gold stocks and the country's short term liabilities to foreigners. Indeed, in spite of peak exports and an increasing trade surplus the United States has continued to incur a deficit in its overall balance of payments, thereby enabling foreign countries to add to their gold and dollar holdings. The present position is that foreign short-term dollar assets, including deposits and U.S. Treasury obligations, amount to approximately \$14,500,000,000 equal to 66 per cent of the country's gold stock which currently stands at \$21,800,000,000 compared with \$24,600,000,000 or 31 per cent in 1949.

DWINDLING U.S. STOCKS

U.S. concern over its gold position has led to the question being asked as to how long the country can afford to go on spending and lending abroad and piling up these potential claims against a background of dwindling stocks of gold.

In all fairness, it must be said that although the U.S. gold reserve position is deteriorating, at present, the gold stock is large enough in relation to these short term balances to allow more than two-thirds of the latter to be withdrawn and still leave enough gold to meet the statutory requirements of 25 per cent against Federal Reserve notes and member bank reserve deposits. Considering the need on the part of foreign countries to maintain adequate U.S. balances, this would appear to be ample cushion save under extreme panic conditions or, in the event of another global war.

Be that as it may, it is possible that the trend of recent years may well continue until foreign short term holdings exceeded the gold stock and the U.S. become vulnerable to a flight from the dollar. Certainly the country cannot with impunity continue indefinitely to pour out funds abroad whilst accumulating short term liabilities without commensurate gains being made in readily realisable assets. Having assumed the role of an international money market, the U.S. cannot but expect to assume the risks that go with it. It is, therefore, imperative that policies, monetary, fiscal and economic, are pursued which will continue to engender the confidence of the world in U.S. currency.

The degree of U.S. liquidity in relation to the rest of the free world is therefore crucial. On this point Dr. W. J. Busschau, in his Presidential Address to the Economic Society of South Africa, and quoting banking figures published by the Inter-

national Monetary Fund, showed that in 1937 the overall gold/paper ratio was about 40 per cent and if separate calculations were made for the United States and for the rest of the West, the U.S. figure was somewhat higher (viz, 43 per cent) then the figure for the rest of the West of 41 per cent. A similar comparison now, however, would have to be adjusted for the increase in the U.S. short term indebtedness to the rest of the West and, after taking all the relevant statistics into consideration, Dr. Busschau was able to say that the gold/paper ratio of the West—excluding the United States—was just under 22 per cent while the ratio for the United States was roughly 14 per cent. In other words, the United States is now probably less liquid than the rest of the West. In order to restore the liquidity of the West (as measured by the relation of gold to paper at the 1937 level) the gold price would need to be enhanced by more than 2½ times the present price, that is, in the order of \$90 an ounce or a sterling price of roughly £30 an ounce.

These are weighty arguments and not to be dismissed lightly. While they do not invite the comment that a rise in the gold price is just around the corner, they do indicate clearly that if the day when the price of the yellow metal is raised to a realistic level can be postponed, it cannot under any circumstances be avoided.

Meanwhile, confidence in gold is growing. This is forcibly borne out in the September Business Review of the Bank of Montreal

(Continued on page 13)

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED GROUP

MINING COMPANIES' REPORTS FOR QUARTER ENDED 30th SEPTEMBER, 1956 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER

(All Companies mentioned are incorporated in the Union of South Africa)

GENERAL REMARKS—In determining the payable footage, gold has been taken at 248s. 3d. per ounce fine. The development values are the actual results of the sampling of development work on reef; no allowance has been made for modifications which may be necessary when computing ore reserves.

GOVERNMENT GOLD MINING AREAS (Modderfontein) CONSOLIDATED, LIMITED

ISSUED CAPITAL	£1,400,000	
(Divided into 5,600,000 shares of 5s. each, fully paid)		
	Quarter ended 30th September 1956	Quarter ended 30th June, 1956
OPERATIONS		
Tons crushed	674,000	742,000
Gold—ounces fine	87,604	91,075
Yield per ton—dwts.	2.600	2.455
Cost per ton Crushed	33s. 5d.	30s. 8d.
RESULTS OF OPERATIONS		
Revenue from Gold and Sundry Revenue ..	£1,116,894	£1,149,975
Less: Working Costs	1,127,184	1,139,140
LOSS ON GOLD MINING	£10,290	£10,835
		(Profit)
Estimated Net Revenue from Pyrite, subject to future adjustments and representing the estimated value of the output less plant operating costs and provision for interest on and repayment of the loans raised for the project ..	41,502	40,561
OPERATING PROFIT FOR QUARTER	£31,212	£51,396
Less: Estimated Government's share of Profits and Taxation for the quarter (see note below) ..	5,625	6,390
Profit after Taxation	£25,587	£45,006

NOTE: In addition to the revenue for the quarter shown above an amount of £9,748 was received from gold sold to the S.A. Reserve Bank during the period February to August, 1956. (The revenue for the previous period, August, 1955, to January, 1956, amounted to £11,739 and was reflected in the Report for the quarter ended 31st March, 1956.) This additional revenue has been taken into account in arriving at the provision for Government's share of Profits for the respective quarters.

CAPITAL EXPENDITURE	£8,772	£6,679
PYRITE LOANS		
Quarterly instalment paid in respect of interest on and redemption of loans raised by this Company	£10,350	£10,350
Balance of the Pyrite Loans at end of the quarter	£282,871	£290,360
DEVELOPMENT		
Total Development—feet	2,276	5,799
Sampled—feet	1,915	4,905
Payable—feet	815	1,715
Percentage Payable	43	35
Value—dwts.	7.4	7.2
Width—inches	40	25
Inch-dwts.	296	245

GENERAL REMARKS

For some months the increased cost per ton milled has more than offset effort made to increase the grade and, as a result, a loss of £10,700 on gold mining operations was incurred for the month of July, 1956. Every effort is being made to improve the grade of ore milled and to achieve a level of costs at a reduced tonnage which would result in profits. Marginal profits were made in the last two months of the quarter.

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LTD.

ISSUED CAPITAL	£4,063,553	
(Divided into 4,063,553 shares of £1 each, fully paid)		
	Quarter ended 30th September 1956	Quarter ended 30th June, 1956
OPERATIONS		
Tons crushed	696,000	717,000
Gold—ounces fine	62,656	68,515
Yield per ton—dwts.	1.800	1.911
Cost per ton crushed	51s. 9d.	49s. 0d.
RESULTS OF OPERATIONS		
Revenue from Gold and Sundry Revenue ..	£ 812,046	£ 879,511
Estimated Net Revenue from Uranium and Acid, subject to future adjustments and representing the estimated value of the output less plant operating costs and provision for interest on and repayment of the loans raised for the project ..	1,305,000	1,190,000
	£2,117,046	£2,069,511
Less: Working Costs	1,801,346	1,755,737
OPERATING PROFIT FOR QUARTER	£315,700	£313,774
Less: Estimated Taxation on Non-Mining Income (including adjustments totalling £5,800 for previous quarters)	11,150	1,050
Profit after Taxation	£304,550	£312,724

TAXATION: The Company was not liable for taxation on its income from mining for the respective quarters.

NOTE: In addition to the revenue for the quarter shown above an amount of £7,751 was received from gold sold to the S.A. Reserve Bank during the period February to August, 1956. (The revenue for the previous period, August, 1955, to January, 1956, amounted to £9,618 and was reflected in the Report for the quarter ended 31st March, 1956.)

CAPITAL EXPENDITURE ON GOLD DIVISION	£54,738	£62,364
CAPITAL EXPENDITURE ON URANIUM PROJECT	£7,099	£16,897
URANIUM LOANS		
Quarterly instalment paid in respect of interest on and redemption of Loans raised for the project	£209,738	£209,738
Balance of Uranium Loans at end of quarter ..	£5,884,250	£6,034,528
DEVELOPMENT		
Total development—feet	29,051	26,560
Main Reef Series	614	2,383
Development—feet	160	1,125
Sampled—feet	75	905
Payable—feet	47	80
Percentage payable	177	220
Inch—dwts.		
Bird Reef Series		
Development—feet	28,437	24,177
Sampled—feet	7,730	8,550
Payable—feet	3,415	4,525
Percentage payable on account of the combined gold and uranium content	44	53

THE EAST CHAMP D'OR GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL	£259,875	
(Divided into 2,079,000 shares of 2s. 6d. each, fully paid)		
	Quarter ended 30th September, 1956	Quarter ended 30th June, 1956
OPERATIONS		
Tons crushed	36,500	39,000
Gold—ounces fine	1,770	2,864
Yield per ton—dwts.970	1.469
Cost per ton Crushed	54s. 4d.	58s. 9d.
RESULTS OF OPERATIONS		
Revenue from Gold and Sundry Revenue ..	£23,263	£36,211
Estimated Net Revenue from Uranium, subject to future adjustments and representing the estimated value of the output less treatment charges and provision for interest on and repayment of the loans raised for the project	96,000	97,000
	£119,263	£133,211
Less: Working Costs	99,225	114,621
OPERATING PROFIT FOR QUARTER	£20,038	£18,590

Less: Estimated Taxation (see note below) ..	6,210	4,400
Profit after Taxation	£13,828	£14,190

NOTE: In addition to the revenue for the quarter shown above an amount of £315 was received from gold sold to the S.A. Reserve Bank during the period February to August, 1956. (The revenue for the previous period, August, 1955, to January, 1956, amounted to £532 and was reflected in the Report for the quarter ended 31st March, 1956.) This additional revenue has been taken into account in arriving at the provision for Taxation for the respective quarters.

URANIUM LOANS		
Quarterly instalment paid in respect of interest on and redemption of loans raised for the project ..	£4,766	£4,766
Balance of Uranium Loans at end of the quarter ..	£133,716	£137,131
DEVELOPMENT		
All on Bird Reef Series		
Total development—feet	3,217	4,056
Sampled—feet	2,165	1,900
Payable—feet	1,405	1,060
Percentage payable on account of the combined gold and uranium content	65	56

FREDDIES CONSOLIDATED MINES, LIMITED

ISSUED CAPITAL £16,359,913 (Divided into 16,359,913 shares of £1 each, fully paid)		
	Quarter ended 30th September, 1956	Quarter ended 30th June, 1956
OPERATIONS		
Tons crushed	178,000	171,000
Gold—ounces fine	39,354	36,329
Yield per ton—dwts.	4.42	4.25
Costs per ton Crushed	64s. 11d.	67s. 2d.
RESULTS OF OPERATIONS		
Revenue from Gold and Sundry Revenue	£505,147	£464,117
Less: Working Costs	577,950	574,277
LOSS ON GOLD MINING	£72,803	£110,160
Estimated Net Revenue from Uranium, subject to future adjustments and representing the revenue accruing to this Company from sales of uranium oxide less pumping and plant treatment costs and after providing for the Company's proportionate share of the Amortisation of the Welkom Uranium Plant for the quarter and for its own loan repayments for that period		
	60,000	55,000
OPERATING LOSS FOR QUARTER	£12,803	£55,160
NOTE: In addition to the revenue for the quarter shown above an amount of £4,137 was received from gold sold to the A.S. Reserve Bank during the period February to August, 1956. (The revenue for the previous period, August, 1955, to January, 1956, amounted to £4,703 and was reflected in the Report for the quarter ended 31st March, 1956.)		
INTEREST PAYABLE		
On amounts advanced to the Company by the National Finance Corporation of South Africa and certain Building Societies. (Not taken into account in arriving at the loss or the quarter)		
	£15,739	£15,535

10 and 11 Austin Friars, London, E.C.2.
18th October, 1956.

		Quarter ended 30th September, 1956	Quarter ended 30th June, 1956
CAPITAL EXPENDITURE			
On Mining Installations			
On Additional Development carried out in excess of that which was estimated to be necessary to replace the current mining of ore reserves			
		Nil	7,000
Total Capital Expenditure for the Quarter		£1,628	£9,442
During the quarter, no charge for development was made to Capital Account, the full cost for development being charged to Working Costs.			
URANIUM LOANS			
Quarterly Instalment paid in respect of interest on and redemption of loans raised by this Company			
Balance of Uranium Loans at end of the quarter		£6,259	£6,259
		£193,280	£197,592
STOPING AND DEVELOPMENT			
		Quarter ended 30th September, 1956	Quarter ended 30th June, 1956
Stoping—Fathoms		16,093	15,618
Inch-dwts.		338	331
		North North Total	North North Total
Development		1 2	1 2
Total development—ft.		5,178 9,882 15,060	4,204 8,777 12,981
Sampled—ft.		710 1,945 2,655	1,215 1,340 2,555
Payable—ft.		445 1,740 2,185	710 1,095 1,805
Percentage payable		63 89 82	58 82 71
Value—dwts.		54.0 77.8 73.0	58.5 66.7 63.5
Width—inches		6 6 6	6 6 6
Inch—dwts.		324 467 438	351 400 381
By the end of the quarter under review, the total footage sampled in the 17 Haulage East Area at No. 2 North Shaft, where development is to a certain extent being concentrated, amounted to 3,560 feet, at an average value of 482 inch-dwts. (Previous quarter 2,235 feet at an average value of 481 inch-dwts.)			
GENERAL REMARKS			
Shares in Free State Geduld Mines, Limited			
During the quarter 1,500 fully paid shares of Free State Geduld Mines, Limited were sold. The Company's original holding of shares of Free State Geduld Mines, Limited was 300,000, which were acquired as the result of the sale to Free State Geduld Mines, Limited of the No. 2 South Shaft and other assets.			
At 30th September, 1956, 231,500 of these shares had been disposed of for a total of £964,066, and this Company's holding of shares at that date was reduced to 68,500.			

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
D. L. REYNOLDS, Secretary.

SPAARWATER GOLD MINING CO., LTD.

(Registered in the Union of South Africa)

REPORT OF THE DIRECTORS For the Quarter ended 30th September, 1956	
Tons Milled	31,700
Total Yield in ounces fine	9,537.91
Total Yield per ton (dwt.)	6,018
Working Revenue	£120,047
Cost of Mining and Milling	92,822
Excess of Revenue over cost of Mining and Milling	27,225
Expenditure on Development	25,415
Working Profit	£1,810

NOTE: Working Revenue does not include an amount of £1,034 received during the quarter in respect of gold sold to the South African Reserve Bank for the period February to July, 1956.
Expenditure on Capital Account £1,774
Government Taxes Nil

DEVELOPMENT

The total footage advanced during the quarter amounted to 3,030 feet. The footage sampled amounted to 1,950 feet, of which 610 feet, equal to 31.3 per cent proved payable at an average value of 6.8 dwt. per ton over an estimated stoping width of 40.0 inches, equivalent to 272 inch-dwt.

WESTERN SECTION OF MINE

Development in the Western Section of the Mine continued during the quarter. The footage sampled amounted to 1,075 feet, of which 470 feet, equal to 43.7 per cent proved payable at an average value of 6.2 dwt. per ton over an estimated stoping width of 37.7 inches, equivalent to 234 inch-dwt.

43 Int. W.15 Haulage was advanced 525 feet towards the western boundary of the mine. The footage sampled, included in the above figures, amounted to 270 feet, of which 95 feet proved payable at an average value of 4.4 dwt. per ton over an estimated stoping width of 36.0 inches, equivalent to 159 inch-dwt.

Development returns show the actual sampling results; adjustments which may be required when estimating ore reserves have not been applied.

By Order of the Board,
J. F. INCE, London Secretary,
London Office: Finsbury Pavement House,
120, Moorgate, London, E.C.2.

October 18, 1956.

WITWATERSRAND NIGEL LIMITED

(Incorporated in the Union of South Africa)

REPORT OF THE DIRECTORS For the Quarter ended 30th September, 1956	
PRODUCTION	
Tons Milled	55,200
Yield (in oz. fine)	11,982
Yield per Ton Milled (dwts.)	4.341
	Per Ton Milled
	s. d.
Working Revenue	£150,380
Working Costs	129,127
	£46 10
Working Profit	21,253
Add: Sundry Revenue	1,380
NET PROFIT	£22,633

(*215s. 6d. per oz. fine.)

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February-July, 1956, £1,335.

CAPITAL EXPENDITURE

The Capital Expenditure for the quarter amounted to £30,962, all of which was spent at No. 3 Shaft.

DEVELOPMENT

Development Footage	4,146 feet
Footage on Reef	2,553 feet
Footage Sampled	2,505 feet

The payable reef disclosures were as follows:—
900 feet, or 35.9%, averaging 27.2 dwts. per ton over a width of 17.5 inches, equivalent to 476 inch-dwts.
(No allowance has been made in the above results for adjustments necessary before calculation of the corresponding Ore Reserve.)

No. 3 SHAFT

The shaft was sunk 499 feet to a depth of 1,914 feet.

By Order of the Board,
J. F. INCE, London Secretary,
London Office: Finsbury Pavement House,
120 Moorgate, London, E.C.2.

October 19, 1956.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

(Incorporated in the Union of South Africa)

GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 30th SEPTEMBER, 1956

(All Companies mentioned are incorporated in the Union of South Africa)

BRAKPAN MINES, LIMITED

ISSUED CAPITAL (In Shares of 5s. each) £1,150,000

OPERATING RESULTS			
Tons milled 323,000	Ounces fine 54,756.86	Yield per ton 3.390 dwts.	Per ton milled s. d.
Working Revenue	£688,460		42 8
Working Costs	651,297		40 4
WORKING PROFIT	£37,163		2 4

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £5,530.

The estimated working profit for the nine months ended 30th September, 1956, is £126,600.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the nine months ended 30th September, 1956, is £12,800.

CAPITAL EXPENDITURE.—Nil.

DEVELOPMENT.—The development footage for the quarter totalled 12,963 feet, and gave the following results:—

Sampled: 11,055 ft., averaging 3.88 dwts. over 60.45 in., equivalent to 235 in.-dwts.
Payable: 2,780 ft., equal to 25.1 per cent of the footage sampled, averaging 9.89 dwts. over 62.64 in., equivalent to 620 in.-dwts.

PRESIDENT BRAND GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL (In units of stock of 5s. each) £3,250,000

OPERATING RESULTS			
Tons milled 176,000	Ounces fine 135,466	Yield per ton 15.39 dwts.	Per ton milled s. d.
Working Revenue	£1,704,200		193 8
Working Costs	574,905		65 4
Working Profit	£1,129,295		128 4
Working Profit (estimated)	136,654		
TOTAL WORKING PROFIT	£1,265,949		

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £14,090.

The estimated working profit for the year ended 30th September, 1956, is £4,688,630. No taxation and no share of profit are as yet payable to the Government.

No account has been taken in the above figures of the amount recoverable under the Company's insurance policy in respect of the fire in the underground workings of the mine which occurred earlier in the year.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £367,397, which includes an amount of £54,000 in respect of underground development.

DIVIDEND.—Dividend No. 3 of 2/- per unit of stock was declared on the 11th September, 1956, payable to members registered in the books of the Company on the 29th of that month, and to persons presenting coupons detached from Stock Warrants to Bearer. Warrants in payment of the dividend will be posted to members on or about the 8th November, 1956.

URANIUM PROJECT.—In terms of the joint uranium production scheme which was referred to in the report of the Directors for the quarter ended 30th June, 1956, the Company contributed an amount of £41,440 towards the capital cost of the uranium projects on the properties of Welkom Gold Mining Company, Limited and President Steyn Gold Mining Company, Limited.

UNDERGROUND DEVELOPMENT.—During the quarter, 14,362 ft. of underground development were accomplished with the following results:—

Sampled: 4,185 ft., averaging 286.47 dwts. over 4.97 in., equivalent to 1,424 in.-dwts.
Payable: 3,980 ft., equal to 95.10 per cent of the footage sampled, averaging 295.80 dwts. over 5.05 in., equivalent to 1,494 in.-dwts.

SHAFT SINKING.—No. 2 Sub-Vertical Twin Circular Shafts:—

18 ft. Diameter Ventilation Shaft: Installation of sinking equipment was completed and the shaft sunk 189 ft. to a depth of 286 ft. below 46 Level.
24 ft. Diameter Shaft: The headgear portion was slipped for 78 ft. to a position 120 ft. below 44 Level and lined for 65 ft. below 44 Level.

The excavations of the Main Station on 46 Level, the walling of the man hoist chamber, and the foundations for the permanent man hoist and stage hoist have been completed.

Welkom Gold Mining Company, Limited.—No. 3 Joint Ventilation Shaft System (for the joint account of the Company, President Steyn Gold Mining Company Limited and Welkom Gold Mining Company, Limited):—

18 ft. Diameter Ventilation Shaft: During the quarter, the shaft was sunk 587 ft. to a depth of 3,595 ft. below collar. In addition, 833 ft. of development were accomplished in station crosscuts.
24 ft. Diameter Shaft: The erection of the headgear, permanent winder, service hoist and stage hoist was completed, and the shaft sunk 167 ft. to a depth of 199 ft. below collar. In addition, 12 ft. were developed in a temporary pump chamber.

Work on the waste disposal plant and the reef transfer bins is in progress.

ORE RESERVE.—The payable ore reserve as at the 30th September, 1956, was estimated at 2,501,000 tons of an average assay value of 17.96 dwts. over a stoping width of 48.15 in.

Compared with the ore reserve as at 30th September, 1955, the present figures show an increase of 928,000 tons, a decrease in value of 0.19 dwt., and the stoping width is decreased by 1.77 in.

WELKOM GOLD MINING COMPANY LIMITED

ISSUED CAPITAL (In shares of 5s. each) £3,062,500

(NOTE: As consideration for the subscription of shares and the provision of loan facilities, Anglo American Corporation of South Africa, Limited, has been granted the right to subscribe for 1,250,000 shares at 27/6d. per share at any time up to 30th December, 1958).

OPERATING RESULTS			
Tons milled 265,000	Ounces fine 64,073	Yield per ton 4.84 dwts.	Per ton milled s. d.
Working Revenue	£804,732		60 9
Working Costs	645,423		48 9
WORKING PROFIT	£159,309		12 0

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £6,460.

The estimated working profit for the year ended 30th September, 1956, is £419,300. No taxation and no share of profit are as yet payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £339,170, which includes an amount of £6,303 in respect of the uranium plant.

LOAN REPAYMENT BY PRESIDENT STEYN GOLD MINING COMPANY, LIMITED.—President Steyn Gold Mining Company, Limited, has declared as available towards the repayment of the loan made to that Company by Welkom Gold Mining Company, Limited, an amount of £437,500, which will discharge the balance of the loan outstanding. This loan repayment will be made to Welkom Gold Mining Company, Limited, on or before the 31st December, 1956, and will be used by the Company in redeeming by drawings, or purchasing, in terms of the conditions of issue, an equivalent amount of the five per cent. Debentures issued by the Company.

URANIUM LOANS.—Quarterly instalment, comprising redemption and interest — £94,438.

URANIUM PROJECT.—In terms of the joint uranium production scheme which was referred to in the report of the Directors for the quarter ended 30th June, 1956, the Company has recouped an amount of £93,204 from other participants in the scheme towards the capital cost of the uranium project as reflected in its books.

UNDERGROUND DEVELOPMENT.—During the quarter 16,397 ft. of underground development were accomplished with the following results:—

Sampled: 5,090 ft., averaging 62.36 dwts. over 5.80 in., equivalent to 362 in.-dwts.
Payable: 3,985 ft., equal to 78.29 per cent of the footage sampled, averaging 72.88 dwts. over 6.09 in., equivalent to 444 in.-dwts.

SHAFT SINKING.—No. 1 Shaft: All facilities for sinking below 37 level have been completed and the vertical winze was sunk 38 ft. to a depth of 3,796 ft. below the collar of No. 1 Shaft.

No. 3 Joint Ventilation Shaft System: (For the joint account of the Company, President Steyn Gold Mining Company, Limited and President Brand Gold Mining Company, Limited):—

18 ft. Diameter Ventilation Shaft: During the quarter the shaft was sunk 587 ft. to a depth of 3,595 ft. below collar. In addition, 833 ft. of development were accomplished in station crosscuts.

24 ft. Diameter Shaft: The erection of the headgear, permanent winder, service hoist and stage hoist was completed and the shaft sunk 167 ft. to a depth of 199 ft. below collar. In addition, 12 ft. were developed in a temporary pump chamber.

Work on the waste disposal plant and the reef transfer bins is in progress.

ORE RESERVE.—The payable ore reserve as at 30th September, 1956, was estimated at 3,350,000 tons of an average assay value of 6.30 dwts. over a stoping width of 48.19 in.

Compared with the ore reserve as at the 30th September, 1955, the present figures show an increase of 995,000 tons, an increase in value of 0.37 dwt., and the stoping width is decreased by 1.72 in.

SPRINGS MINES, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £2,527,500

OPERATING RESULTS			
Tons milled 381,000	Ounces fine 45,777.53	Yield per ton 2.403 dwts.	Per ton milled s. d.
Working Revenue	£575,420		30 2
Working Costs	549,240		28 10
WORKING PROFIT	£26,180		1 4

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £4,742.

The estimated working profit for the nine months ended 30th September, 1956, is £104,700.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the nine months ended 30th September, 1956, is £12,200.

CAPITAL EXPENDITURE.—Nil.

DEVELOPMENT.—The development footage for the quarter totalled 4,277 ft., and gave the following results:—

Sampled: 3,500 ft., averaging 9.40 dwts. over 13.37 inches, equivalent to 126 in.-dwts.
Payable: 890 ft., equal to 25.4 per cent of the footage sampled, averaging 19.10 dwts. over 16.38 in., equivalent to 313 in.-dwts.

LORAINÉ GOLD MINES, LIMITED

ISSUED CAPITAL (In Shares of 10/- each) £8,226,686

(NOTE: As consideration for the subscription of shares and the provision of loan facilities, Anglo American Corporation of South Africa, Limited, has been given the right up to and including 31st December, 1957, to subscribe for 2,750,000 reserve shares in the Company at the price of 20s. per share.)

OPERATING RESULTS			
Tons milled	Ounces fine	Yield per ton	Per ton milled
168,000	32,259	3.84 dwts.	s. d.
Working Revenue	£404,519	48	2
Working Costs	435,106	51	10
WORKING LOSS	£30,587	3	8

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounting to £2,969, has not been taken into account in the above figures.

The estimated working loss for the year ended 30th September, 1956, is £253,261.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £132,662, which includes an amount of £114,000 in respect of underground development.

UNDERGROUND DEVELOPMENT.—During the quarter, 22,362 ft. of underground development were accomplished with the following results:—

Basal Reef:

Sampled: 3,640 ft., averaging 27.89 dwts. over 4.84 in., equivalent to 135 in.-dwts.

Payable: 1,175 ft., equal to 32.28 per cent of the footage sampled, averaging 45.39 dwts. over 5.53 in., equivalent to 251 in.-dwts.

"B" Reef:

Sampled: 4,885 ft., averaging 8.41 dwts. over 31.98 in., equivalent to 269 in.-dwts.

Payable: 1,530 ft., equal to 31.32 per cent of the footage sampled, averaging 23.89 dwts. over 31.35 in., equivalent to 749 in.-dwts.

ORE RESERVE.—The payable ore reserve as at the 30th September, 1956, was estimated at 1,101,800 tons of an average assay value of 4.19 dwts. over a stopping width of 44.41 in.

Included in the above figures are 239,400 tons averaging 6.77 dwts. over a stopping width of 48 in. on the "B" Reef Horizon.

Compared with the ore reserve as at 30th September, 1955, the present figures show an increase of 592,800 tons, an increase in value of 0.14 dwt., and the stopping width is increased by 4.29 in.

THE SOUTH AFRICAN LAND AND EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL (In shares of 3s. 6d. each) £433,125

OPERATING RESULTS			
Tons milled	Ounces fine	Yield per ton	Per ton milled
281,500	62,363	4.430 dwts.	s. d.
Working Revenue	£781,671	55	6
Working Costs	535,812	38	1
WORKING PROFIT	£245,859	17	5

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £7,017.

The estimated working profit for the nine months ended 30th September, 1956, is £583,900.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the nine months ended 30th September, 1956, is £263,600.

CAPITAL EXPENDITURE.—£6,252.

DEVELOPMENT.—The development footage for the quarter totalled 11,572 ft., and gave the following results:

Sampled: 8,840 ft., averaging 5.38 dwts. over 21.29 in., equivalent to 115 in.-dwts.

Payable: 2,375 ft., equal to 26.9 per cent of the footage sampled, averaging 13.71 dwts. over 22.02 in., equivalent to 302 in.-dwts.

FARM WITHOK No. 7.—As announced in the Press on the 26th September, 1956, the Company has agreed to purchase from The Withok Proprietary Company Limited, 4,828 morgen of mineral rights and 2,200 morgen of surface rights, on the farm Withok No. 7, district Brakpan, and to refund the prospecting expenditure incurred on the property by that Company, for the total sum of £525,000. This sale was confirmed by the shareholders of The Withok Proprietary Company Limited at an extraordinary general meeting held on the 11th October, 1956. Loan facilities have been obtained from Anglo American Corporation of South Africa, Limited, to cover the purchase price and the cost of development and prospecting. A circular to shareholders will shortly be issued together with a notice convening an extraordinary general meeting to increase the authorised capital of the Company and to approve proposals whereby shares will be offered for subscription by shareholders and Anglo American Corporation of South Africa, Limited.

WESTERN HOLDINGS LIMITED

ISSUED CAPITAL (In shares of 5/- each) £1,874,094

OPERATING RESULTS			
Tons milled	Ounces fine	Yield per ton	Per ton milled
249,000	108,962	8.75 dwts.	s. d.
Working Revenue	£1,368,600	109	11
Working Costs	674,885	54	2
WORKING PROFIT	£693,715	55	9

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £10,628.

The estimated working profit for the year ended 30th September, 1956, is £2,309,332. No taxation and no share of profit are as yet payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £347,568, which includes an amount of £36,000 in respect of underground development.

DIVIDEND.—Dividend No. 3 of 2/- per share was declared on the 11th September, 1956, payable to members registered in the books of the Company on the 29th of that month. Warrants in payment of the dividend will be posted to members on or about the 8th November, 1956.

UNDERGROUND DEVELOPMENT.—During the quarter, 18,416 ft. of underground development were accomplished with the following results:—

Sampled: 3,795 ft., averaging 194.57 dwts. over 5.30 in., equivalent to 1,031 in.-dwts.

Payable: 3,385 ft., equal to 89.20 per cent of the footage sampled, averaging 217.69 dwts. over 5.26 in., equivalent to 1,145 in.-dwts.

SHAFT SINKING.—No. 3 Circular Shaft System:—

18 ft. diameter Ventilating Shaft: During the quarter, the shaft was sunk 933 ft. to a depth of 2,032 ft. below the collar. In addition, 80 ft. of development were accomplished in temporary pump chambers.

24 ft. Diameter Shaft: The construction of the permanent winder house is nearing completion and work is in progress on the erection of the permanent man and rock hoists. The erection of the stage hoist was completed.

Work has started on the erection of the headgear, the construction of the waste disposal bins, permanent shaft offices and European change house.

The 14 ft. diameter auxiliary air intake was sunk from surface to a depth of 65 ft. In addition 37 ft. of development were accomplished in the ventilation duct.

ORE RESERVE.—The payable ore reserve as at the 30th September, 1956, was estimated at 3,073,000 tons of an average assay value of 11.26 dwts. over a stopping width of 45.84 in.

Compared with the ore reserve as at 30th September, 1955, the present figures show an increase of 800,000 tons, an increase in value of 0.45 dwt., and the stopping width is decreased by 1.05 in.

DAGGAFONTEIN MINES, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £1,750,000

OPERATING RESULTS			
Tons milled	Ounces fine	Yield per ton	Per ton milled
692,000	155,439.60	4.492 dwts.	s. d.
GOLD—			
Working Revenue	£1,956,292	56	6
Working Costs	1,071,885	31	0
Working Profit	£884,407	25	6
URANIUM—			
Working Profit (estimated)	403,000		
TOTAL WORKING PROFIT	£1,287,407		

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £16,835.

The estimated total working profit for the nine months ended 30th September, 1956, is £3,831,300.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the nine months ended 30th September, 1956, is £1,970,700.

CAPITAL EXPENDITURE.—£31,586.

URANIUM LOANS.—Quarterly instalment, redemption and interest £140,776.

DEVELOPMENT.—Main Reef Leader: The development footage for the quarter totalled 3,201 ft., and gave the following results:—

Sampled: 2,845 ft., averaging 9.41 dwts. over 18.13 in., equivalent to 171 in.-dwts.

Payable: 1,290 ft., equal to 45.3 per cent of the footage sampled, averaging 19.78 dwts. over 15.85 in., equivalent to 314 in.-dwts.

Kimberley Reef: In addition, a total of 5,204 ft. was accomplished on the horizon of the Kimberley Reef.

Sampled: 3,545 ft., averaging 4.50 dwts. over 20.28 in., equivalent to 91 in.-dwts.

Payable: 665 ft., equal to 18.8 per cent of the footage sampled, averaging 10.34 dwts. over 34.24 in., equivalent to 354 in.-dwts.

EAST DAGGAFONTEIN MINES, LIMITED

ISSUED CAPITAL (In shares of 10s. each) £1,865,000

OPERATING RESULTS		Yield per ton milled
Tons milled	Ounces fine	
285,000	46,690.33	3.277 dwts.
		Per ton milled
		s. d.
Working Revenue	£586,414	41 2
Working Costs	491,556	34 6
WORKING PROFIT	£94,858	6 8

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £5,306. The estimated working profit for the nine months ended 30th September, 1956, is £321,100.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the nine months ended 30th September, 1956, is £125,300.

CAPITAL EXPENDITURE.—£2,046.

DEVELOPMENT.—Main Reef Leader: The development footage for the quarter totalled 2,554 ft., and gave the following results:

Sampled: 2,170 ft., averaging 10.36 dwts. over 6.05 in., equivalent to 63 in.-dwts.

Payable: 340 ft., equal to 15.7 per cent. of the footage sampled, averaging 16.00 dwts. over 13.16 in., equivalent to 211 in.-dwts.

Kimberley Reef: In addition, a total of 5,964 ft. was accomplished on the horizon of the Kimberley Reef.

Sampled: 4,225 ft., averaging 26.43 dwts. over 5.57 in., equivalent to 147 in.-dwts.

Payable: 1,215 ft., equal to 28.8 per cent. of the footage sampled, averaging 65.94 dwts. over 6.30 in. equivalent to 415 in.-dwts.

PRESIDENT STEYN GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £3,250,000

OPERATING RESULTS		Yield per ton milled
Tons milled	Ounces fine	
279,000	109,785	7.87 dwts.
		Per ton milled
		s. d.
GOLD—		
Working Revenue	£1,379,346	98 10
Working Costs	710,932	50 11
Working Profit	£668,414	47 11
URANIUM—		
Working Profit (estimated)	197,246	
TOTAL WORKING PROFIT.	£865,660	

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £11,000. The estimated working profit for the year ended 30th September, 1956, is £2,975,892. No taxation and no share of profit are as yet payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £165,312.

DIVIDEND.—Dividend No. 3 of 1/- per share was declared on the 11th September, 1956, payable to members registered in the books of the Company on the 29th of that month, and to persons presenting coupons detached from Share Warrants to Bearer. Warrants in payment of the dividend will be posted to members on or about the 8th November, 1956.

LOAN REPAYMENT.—Simultaneously with the declaration of the above dividend, an amount of £437,500 was declared as available for the repayment of the loan from Welkom Gold Mining Company, Limited. This repayment, which will be made on or before the 31st December, 1956, will discharge the balance of the loan outstanding.

URANIUM LOANS.—Quarterly instalment comprising redemption and interest £94,388.

URANIUM PROJECT.—In terms of the joint uranium production scheme which was referred to in the report of the Directors for the quarter ended 30th June, 1956, the Company contributed an amount of £87,258 towards the capital cost of the uranium projects as reflected in the books of the Company and of Welkom Gold Mining Company, Limited. The Company has recouped an amount of £29,412 from other participants in the scheme towards the capital cost of the uranium project as reflected in its own books.

UNDERGROUND DEVELOPMENT.—During the quarter 17,674 ft. of underground development were accomplished with the following results:—

Basal Reef:

Sampled: 3,320 ft., averaging 44.95 dwts. over 13.69 in., equivalent to 615 in.-dwts.

Payable: 3,030 ft., equal to 91.27 per cent. of the footage sampled, averaging 47.08 dwts. over 14.10 in., equivalent to 664 in.-dwts.

Leader Reef:

Sampled: 2,665 ft., averaging 3.33 dwts. over 47.20 in., equivalent to 157 in.-dwts.

Payable: 615 ft., equal to 23.08 per cent. of the footage sampled, averaging 7.60 dwts. over 47.68 in., equivalent to 362 in.-dwts.

"A" Reef:

Sampled: 320 ft., averaging 8.91 dwts. over 62.22 in., equivalent to 554 in.-dwts.

Payable: 175 ft. equal to 54.69 per cent. of the footage sampled, averaging 15.66 dwts. over 55.51 in., equivalent to 869 in.-dwts.

SHAFT SINKING.—Welkom Gold Mining Company, Limited—No. 3 Joint Ventilation Shaft System (for the joint account of the Company, President Brand Gold Mining Company, Limited and Welkom Gold Mining Company, Limited):—18 foot Diameter Ventilation Shaft: During the quarter the shaft was sunk 587 ft. to a depth of 3,595 ft. below collar. In addition, 833 ft. of development were accomplished in station crosscuts.

24 foot Diameter Shaft: The erection of the headgear, permanent winder, service hoist and stage hoist was completed and the shaft sunk 167 ft. to a depth of 199 ft. below collar. In addition, 12 ft. were developed in a temporary pump chamber.

Work on the waste disposal plant and the reef transfer bins is in progress.

ORE RESERVE.—The payable ore reserve as at the 30th September, 1956, was estimated at 3,102,000 tons of an average assay value of 8.87 dwts. over a stopping width of 47.12 inches.

Compared with the ore reserve as at the 30th September, 1955, the present figures show an increase of 577,500 tons, an increase in value of 0.38 dwts., and the stopping width is decreased by 1.00 in.

VAAL REEFS EXPLORATION AND MINING COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £2,500,000

OPERATING RESULTS		Yield per ton milled
Tons milled	Ounces fine	
147,000	53,995.265	7.346 dwts.
		Per ton milled
		s. d.
GOLD—		
Working Revenue	£677,876	92 3
Working Costs	415,140	56 6
Working Profit	£262,736	35 9
URANIUM—		
Working Profit (estimated)	140,000	
TOTAL WORKING PROFIT.	£402,736	

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £2,798. The estimated total working profit for the five months ended 30th September, 1956, is £579,800.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—No taxation and no share of profits are payable to the Government.

CAPITAL EXPENDITURE.—£1,012,992, which includes expenditure on the uranium plant amounting to £99,352. Of the underground development costs incurred during the three months ended 30th September, 1956, an amount of £33,000 was charged to Capital Account. This amount is included in the total of £1,012,992.

DEVELOPMENT.—The development footage for the quarter totalled 10,857 ft. and gave the following results:—

Sampled: 5,270 ft., averaging 53.55 dwts. over 9.86 in., equivalent to 528 in.-dwts.

Payable: 4,660 ft., equal to 88.4 per cent. of the footage sampled, averaging 58.62 dwts. over 9.98 in., equivalent to 585 in.-dwts.

SHAFTS.—No. 1 Main and No. 1 Sub-Vertical Shafts were commissioned as an integrated hoisting system during September, and development has commenced from the sub-vertical shaft on 59 Level. The main feeder cables in the sub-vertical shaft and the 8 in. pump column in the vertical shaft remain to be installed.

Ore and Waste Pass Systems.—The ore and waste pass systems have now been completed from 56 Level to the bottom of the shaft.

COMPOUNDS.—No. 1 Compound.—The last 15 rooms of the programme of 273 rooms were still under construction at the end of the quarter. Good progress has been maintained on the compound kitchen block, which is nearing completion.

HOUSES.—A further 22 houses were completed during the quarter and another 6 are under construction.

URANIUM LABORATORY.—The Uranium Laboratory was completed during the quarter and is now in commission.

FREE STATE GEDULD MINES, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £2,199,688 10s. 0d.

(NOTES:

(i) As consideration for granting the Company loan facilities open until 31st December, 1960, Anglo American Corporation of South Africa, Limited will receive the right on the 31st December, 1957, to subscribe for 497,346 of the reserve shares in the Company at a price of 80/- per share.

(ii) Members registered in the books of the Company on the 31st December, 1957 (and holders of Bearer Warrants) will receive the right to subscribe for the remaining 703,900 reserve shares in the proportion of two new shares for every 25 shares held at that date at a price of 80/- per share (fractions of new shares being disregarded.)

OPERATING RESULTS		Yield per ton milled
Tons milled	Ounces fine	
131,500	54,798	8.33 dwts.
		Per ton milled
		s. d.
Working Revenue	£687,695	104 7
Working Costs	471,930	71 9
WORKING PROFIT	£215,765	32 10

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £4,469.

The estimated working profit for the nine months of production for the financial year ended 30th September, 1956, is £427,180. No taxation and no share of profit are as yet payable to the Government.

CAPITAL EXPENDITURE.—Capital expenditure amounted to £361,859, which includes an amount of £174,000 in respect of underground development.

UNDERGROUND DEVELOPMENT.—During the quarter 21,562 ft. of underground development were accomplished with the following results:—

Sampled: 3,820 ft., all of which proved payable, averaging 176.25 dwts. over 8.63 in., equivalent to 1,521 in.-dwts.

The results obtained in the vicinity of the individual shafts were:—

No. 1 Shaft Area:

Sampled: 795 ft., all of which proved payable, averaging 65.04 dwts. over 8.21 in., equivalent to 534 in.-dwts.

No. 2 Shaft Area:

Sampled: 3,025 ft., all of which proved payable, averaging 203.66 dwts. over 8.74 in., equivalent to 1,780 in.-dwts.

In the area south of the water-bearing zone, to which reference was made in the two previous quarterly reports, the following results were obtained:—

Sampled: 1,835 ft., all of which proved payable, averaging 248.37 dwts. over 8.60 in., equivalent to 2,136 in.-dwts.

These results are included in the results for No. 2 Shaft given above.

ORE RESERVE.—The payable ore reserve as at 30th September, 1956, was estimated at 1,264,000 tons of an average assay value of 16.15 dwts. over a stopping width of 46.60 in.

WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5s. each) £1,750,000

Tons milled 369,000 **OPERATING RESULTS**
Ounces fine 75,843.64 Yield per ton 4.110 dwts.

GOLD—		Per ton
Working Revenue	£954,469	milled
Working Costs	791,664	s. d.
		51 9
Working Profit	£162,805	42 11
URANIUM—		
Working Profit (estimated)	415,000	8 10
TOTAL WORKING PROFIT	£577,805	

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, amounted to £8,543.

The estimated working profit for the nine months ended 30th September, 1956, is £1,698,900.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the nine months ended 30th September, 1956, is £433,200.

CAPITAL EXPENDITURE.—£29,759.

URANIUM LOANS.—Quarterly instalment, redemption and interest £169,182.

DEVELOPMENT.—The development footage for the quarter totalled 16,656 ft., and gave the following results:—

Sampled: 6,675 ft., averaging 17.47 dwts. over 18.92 in., equivalent to 331 in.-dwts.

Payable: 3,985 ft., equal to 59.7 per cent of the footage sampled, averaging 28.91 dwts. over 17.36 in., equivalent to 502 in.-dwts.

VAAL REEF: The above figures include the following footages and values in development on the Vaal Reef horizon:

Footage driven: 10,438 ft.

Sampled: 4,195 ft., averaging 34.39 dwts. over 11.62 in., equivalent to 400 in.-dwts.

Payable: 2,965 ft., equal to 70.7 per cent of the footage sampled, averaging 46.29 dwts. over 11.58 in., equivalent to 536 in.-dwts.

FARM NOOITGEDACHT No. 53.—In addition, a total of 7,967 ft. of development was accomplished in portions of this farm which are outside the Mining Lease Area. Results were:—

Sampled: 4,525 ft., averaging 12.17 dwts. over 17.82 in., equivalent to 217 in.-dwts.

Payable: 1,685 ft., equal to 37.2 per cent of the footage sampled, averaging 21.89 dwts. over 21.75 in., equivalent to 476 in.-dwts.

London Office: 40 Holborn Viaduct, E.C.1.
17th October, 1956.

For and on behalf of ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
W. C. SQUIRE, Joint London Secretary.

which, in reply to the question of why there should be any demand for gold, explains that so far as Central Banks and governments are concerned, the answer is simply that gold, along with U.S. dollars, is the only medium accepted throughout the world in settlement of international balances. For the private holder its main characteristic is stability of value and private demand derives mainly from this feature.

So much for the question of the gold price: its value is bound to be written up, but when, is impossible to say. Before that time there is, of course, always the possibility of devaluation either by a fixed amount or through exchange rates being allowed to fluctuate on a wider basis than at present. In any event, a rise in the gold price, now or later, should not be the only carrot attracting investors into the gold share market. There are at least 20 shares which spring to mind offering attractive yields as well as a great deal of scope for capital appreciation. These equities can easily be singled out from the statistical tables accompanying this supplement.

INFORMING INVESTORS

Going off somewhat at a tangent, the charge has often been made that South African gold shares are suitable only for the specialist investor, if for no other reason than difficulties connected with understanding mining technicalities. This kind of statement carries substance in so far as the mines' progress is measured in terms such as stopping widths, dwts., and winzes and many more like terms, all of which are strange to the layman. But does this not apply with equal force to copper mining or lead and zinc operations, and, indeed, to any lode mining undertaking. That this tag should stick to the gold mining industry is curious in view of the fact that mining finance houses place before investors more information concerning their companies than is offered by any other company in any of the other markets. There is, moreover, the constant determination on the part of the mining finance groups to improve on the presentation of their data so that investors in gold shares will have all

the essential information before them at the earliest possible time. What is considered to constitute the basic facts required by the investor in gold shares is explained in an article on page 17 of this supplement and—perhaps even more important—the article also points out what may be considered to be the deficiencies and anomalies in the existing presentation of facts and figures relevant to the mines' progress.

GOOD SEPTEMBER QUARTERLIES

The quarterly reports of the new mines again show encouraging progress with several of the leading Free State mines showing their best development since 1954, and Western Holdings the best since the start of operations.

Bearing in mind borehole indications at mines such as Free State Geduld, Western Holdings, Brand and Harmony, there would seem to be no reason why further highly encouraging development results should not be forthcoming from now on.

The Harmony report is of particular interest in that it shows good progress in the main haulages being driven towards the site of the new shaft. These haulages should reach their destination in the current quarter. The recent annual report states that a total of 40 underground boreholes was drilled from these haulages up to June 30, 1956, averaging 366 in. dwt. It further states that between July 1, 1956, and August 31, 1956, a further 10 holes were drilled averaging 642 in. dwt. The quarterly report states that a total of 55 boreholes had been drilled up to September 30, 1956, averaging 471 in. dwt. It follows, therefore, that five boreholes were drilled during the month of September averaging approximately 970 in. dwt. The rich borehole results in this section of the mine suggest the likelihood of substantially higher values as development proceeds. At the end of September, the new shaft had been sunk to a depth of 481 ft. and if working conditions are reasonable, the shaft could be completed in about 18 months to two years. More should be heard about plans for this section of the mine at the annual meet-

ing in the middle of November, and it is likely that up-to-date information regarding development will be given at the meeting.

The outstanding development results at the leading mines are, of course, only in respect of one quarter, and consequently although the indications are that there should be further favourable development, too much importance should not be attached to these results at the present time.

A particularly impressive aspect of the reports of the Anglo American mines is the substantial improvement shown in the volume of ore reserves, as reflected in the following table:

	Tons 1,000		
	1954	1955*	1956
F.S. Geduld	—	—	1,264
Brand	905	1,573	2,501
Steyn	1,781	2,524	3,102
W. Holdings	1,557	2,273	3,073
Welkom	1,895	2,355	3,350

* Period: January - September.

Bearing in mind the steady increase in tonnages milled throughout the year, the growth in the ore reserves is indeed heartening, and illustrates that these mines are now in a very sound position. Even the initial ore reserve from Free State Geduld is impressive when bearing in mind the limited reef development.

Apart from the increase in tonnages milled, there has also been a steady improvement in the recovery grades in the past year. It is consequently re-assuring to note that with the exception of President Brand, the grade of the ore reserves at all mines has shown a reasonable improvement since September, 1955, as shown in the following table:

	Ore Reserves			Present
	Value	dwt. per ton	Mill	
	1954	1955*	1956	Grade
F.S. Geduld	—	—	16.15	8.49
Brand	21.32	18.15	17.96	15.34
Steyn	8.31	8.49	8.87	7.87
W. Holdings	11.49	10.81	11.26	8.85
Welkom	5.89	5.93	6.30	4.93

* Period: January-September.

(Continued on page 15)

THE CENTRAL MINING—RAND MINES GROUP

South African Mining Companies' Directors' Reports for Quarter ended 30th September, 1956

Office of the London Secretaries: 4 London Wall Buildings, E.C.2

The development values quoted hereunder represent actual results of sampling, no allowance having been made for any adjustments which were or may be necessary when estimating ore reserves at the end of the respective financial years

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

Ore milled 328,000 tons.	Yield 183,487 oz. fine.	Yield per ton 11.188 dwt.
		Per Ton Milled
Working Revenue	£2,308,455	140 9
Working Expenditure .. .	949,872	57 11
WORKING PROFIT .. .	£1,358,583	82 10

Allowing for profit from uranium (subject to adjustment) £291,203, additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £20,303, and sundry revenue £19,900, Total Profit was £1,689,989.

Uranium Loan Account quarterly instalment (Dr.) £124,700, made up of capital £92,900 and interest £31,800. No allowance has been made for this payment in arriving at the estimated uranium profit shown above.

Capital expenditure on shaft sinking, equipment, etc., amounted to £351,500 which includes £243,100 expended in connection with the uranium and sulphuric acid plants.

Taxation and Lease Consideration was (Dr.) £799,600.

DEVELOPMENT totalled 13,051 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Carbon Leader .. .	5,270	4,815	91.4	118.4	8

CITY DEEP, LIMITED

Ore Milled 483,000 tons.	Yield 92,290 oz. fine.	Yield per ton 3.822 dwt.
		Per Ton Milled
Working Revenue .. .	£1,160,685	48 1
Working Expenditure .. .	1,147,158	47 6
WORKING PROFIT .. .	£13,527	0 7

Allowing for additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £9,613, and Sundry Revenue £6,700, Total Profit was £29,840.

Capital Expenditure on equipment, etc. (Net) (Dr.) £41,300.

DEVELOPMENT totalled 10,273 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef .. .	370	70	18.9	4.2	46
Main Reef Leader .. .	1,770	740	41.8	11.6	36
South Reef .. .	3,740	1,520	40.6	5.6	43
Totals and Averages .. .	5,880	2,330	39.6	7.2	41

CROWN MINES, LIMITED

Ore Milled 855,000 tons.	Yield 128,266 oz. fine.	Yield per ton 3.0 dwt.
		Per Ton Milled
Working Revenue .. .	£1,612,079	37 9
Working Expenditure .. .	1,595,683	37 4
WORKING PROFIT .. .	£16,396	0 5

Allowing for additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £15,170, Total Working Profit was £31,566; and adjusting for sundry revenue, £13,600, Total Profit was £45,166.

Taxation and Lease Consideration (Cr.) £700.

Capital Expenditure on equipment, etc. (net) (Dr.) £6,000.

DEVELOPMENT totalled 20,764 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef .. .	10,870	4,300	39.6	6.4	47
*Main Reef Leader .. .	2,270	1,360	59.9	22.1	17
South Reef .. .	1,400	620	44.3	11.8	22
Kimberley Reef .. .	200	200	100.0	5.4	45
Totals and Averages .. .	14,740	6,480	44.0	8.2	38

*NOTE: Includes 670 feet sampled in Shaft Pillar areas, of which 370 feet equal to 55.2 per cent. were payable, averaging 19.5 dwt. over a channel width of 17 inches.

GENERAL REMARKS.—Operations during the month of September were adversely affected by pressure bursts and by a mishap in the main pumping station.

CONSOLIDATED MAIN REEF MINES AND ESTATE, LIMITED

Ore Milled 505,000 tons.	Yield 70,269 oz. fine.	Yield per ton 2.783 dwt.
		Per Ton Milled
Working Revenue .. .	£883,494	35 0
Working Expenditure .. .	852,850	33 9
WORKING PROFIT .. .	£30,644	1 3

Allowing for additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £7,825 and adjusting for sundry revenue £5,900, Total Profit was £44,369.

Taxation £2,100.

DEVELOPMENT totalled 11,148 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Kimberley Reef .. .	560	150	26.8	4.5	42
Bird Reef .. .	870	170	19.5	5.1	38
South Reef .. .	980	390	39.8	19.3	16
Main Reef Leader .. .	1,970	560	28.4	48.5	6
Main Reef .. .	3,200	680	21.2	7.9	32
Totals and Averages .. .	7,580	1,950	25.7	11.5	23

DURBAN ROODEPOORT DEEP, LIMITED

Ore milled 563,000 tons.	Yield 97,072 oz. fine.	Yield per ton 3.448 dwt.
		Per Ton Milled
Working Revenue .. .	£1,220,781	43 4
Working Expenditure .. .	1,055,877	37 6
WORKING PROFIT .. .	£164,904	5 10

Allowing for additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £10,671, and sundry revenue £9,100, Total Profit was £184,675.

Taxation (Dr.) £37,200.

Capital Expenditure on shaft sinking and equipment, etc. (net) (Dr.) £16,300.

DEVELOPMENT totalled 18,371 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef .. .	3,640	1,550	42.6	9.8	60
Main Reef Leader .. .	90				
South Reef .. .	1,670	850	50.9	42.1	8
Kimberley Reef .. .	3,940	2,370	60.2	6.7	53
Totals and Averages .. .	9,340	4,770	51.1	9.1	47

EAST RAND PROPRIETARY MINES, LIMITED

Ore Milled 669,000 tons.	Yield 169,775 oz. fine.	Yield per ton 5.075 dwt.
		Per Ton Milled
Working Revenue .. .	£2,134,444	63 10
Working Expenditure .. .	1,574,707	47 1
WORKING PROFIT .. .	£559,737	16 9

Allowing for additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £18,851, and sundry revenue £10,500, Total Profit was £589,088.

Taxation (Dr.) £178,900.

Capital Expenditure, on Shaft Sinking and Equipment, etc. (Net) (Dr.) £136,200.

DEVELOPMENT totalled 14,687 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef .. .	660	130	19.7	8.8	47
Composite Reef .. .	2,540	1,390	54.7	19.6	27
Main Reef Leader .. .	80	30	37.5	10.4	32
South Reef .. .	1,350	210	15.6	9.0	31
Totals and Averages .. .	4,630	1,760	38.0	16.8	29

Far East Ventilation Shaft was sunk 1,334 feet to a total depth of 4,349 feet below the collar.

ROSE DEEP, LIMITED

Ore milled 133,000 tons.	Yield 20,472 oz. fine.	Yield per ton 3.078 dwt.	Per Ton Milled
Working Revenue		£257,631	38 9
Working Expenditure .. .		260,425	39 2
WORKING LOSS .. .		£2,794	0 5

Allowing for additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £2,236, there was a Net Working Loss of £558; adjusting for sundry revenue £1,300, the Net Profit was £742.

Taxation £700.

DEVELOPMENT totalled 2,767 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef	890	440	49.4	6.4	35
Main Reef Leader .. .	150	20	13.3	9.0	17
Composite Reef .. .	200	90	45.0	9.6	24
South Reef .. .	490	200	40.8	9.5	32
Totals and Averages .. .	1,730	750	43.4	7.7	32

MODDERFONTEIN EAST, LIMITED

Ore milled 420,000 tons.	Yield 42,883 oz. fine.	Yield per ton 2.042 dwt.	Per Ton Milled
Working Revenue .. .		£539,972	25 9
Working Expenditure .. .		513,885	24 6
WORKING PROFIT .. .		£26,087	1 3

Allowing for additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £4,757; and sundry revenue, £3,500, Total Profit was £34,344.

Taxation and Mineral Lease Consideration £4,800.

DEVELOPMENT totalled 1,398 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Main Reef Leader .. .	1,150	805	70.0	5.3	29

HARMONY GOLD MINING COMPANY, LIMITED

Ore Milled 233,000 tons.	Yield 92,092 oz. fine.	Yield per ton 7.905 dwt.	Per Ton Milled
Working Revenue .. .		£1,158,516	99 5
Working Expenditure .. .		647,756	55 7
WORKING PROFIT .. .		£510,760	43 10

Allowing for profit from uranium (subject to adjustment) £256,900, sundry revenue £8,000 and additional revenue received during the quarter in respect of gold sold for the period February/July, 1956, £10,365, Total Profit was £786,025.

Taxation £100.

DIVIDEND No. 1 of 6d. per share declared on 14th September, 1956, £450,000.

URANIUM AND PYRITE FLOTATION PLANT LOAN ACCOUNT—Quarterly instalment Dr. £117,900* made up of Capital £82,000 and Interest £35,100.

No allowance has been made for this payment in arriving at the estimated profit from uranium shown above.

*Includes the first quarterly instalment of £23,100 on the Pyrite Flotation Plant Loan.

CAPITAL EXPENDITURE—Capital expenditure on property, shaft sinking, equipment, etc. (Net), amounted to £600,400 which includes £110,200 expended in connection with the uranium and pyrite flotation plants.

17 LEVEL TWIN FOOTWALL HAULAGES.—Progress was retarded by the cementation of further small water fissures and the advance for the quarter totalled 2,560 feet. A total of 55 boreholes have so far been drilled from these haulages up to the Basal Reef, and in four of these holes, as previously reported, the reef was not fully developed, possibly due to an area of elevated footwall. The 55 boreholes averaged 13.08 dwt. per ton over a channel width of 36 inches equal to 471 in.-dwt.

NO. 2 SHAFT.—The installation of the permanent hoists and headgear and of the sinking equipment was completed and on 5th September, 1956, full scale sinking commenced. The shaft was sunk 353 feet to a depth of 461 feet below the collar, was concrete lined to a depth of 436 feet and equipped to a depth of 270 feet. DEVELOPMENT totalled 10,239 feet.

PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	%	Channel Value Dwt.	Channel Width In.
Basal Reef .. .	3,005	2,370	78.9	17.5	29

The fall in the grade of the President Brand ore reserves was, of course, expected because the chairman had indicated in the annual report in January, 1956, that there had been a degree of over-mining because of the limited stope faces available. The comparatively small reduction in the ore reserve grade is reassuring when bearing in mind that average development results in the past year have not been particularly good. It would seem that the gradual fall in the recovery grade should be arrested in the near future. A continuation of development such as that in the September quarter would of course lead to an improvement in ore reserve and recovery grades.

The value of the Free State Geduld reserves should be fully up to reasonable expectations at the present stage. The comparatively small increase in the grade of the Western Holdings ore reserves is perhaps somewhat disappointing in view of better development in the past year and the low mill recovery grade relative to ore reserve grade when compared with President Steyn, for instance. This may partly be due to the differing methods of determining ore reserves in the rich northern section and in the more normal sections of the mine, which was indicated by the plan of the workings issued with the annual report in January, 1956.

Another encouraging feature is the slight reduction in stoping widths at all the mines except Loraine. This, of course, partly accounts for the improvement in grades. It is a development which could well continue for some time,

thus leading to higher mill recovery grades for a given in. dwt. result.

It is interesting to note that President Steyn is obtaining encouraging results on the subsidiary "A" and leader reefs. On the leader reef 2,665 ft. were sampled of which 23 per cent was payable, averaging 362 in. dwt. One's first reaction is to question the advisability of developing a comparatively low value subsidiary reef at this early stage of the mine's history. However, the chairman disclosed in the last annual report that it had proved possible to carry certain of the country rock haulages used in opening up the basal reef, on leader reef instead of country rock, thus enabling substantial footages of leader reef to be prospected during the normal course of basal reef development. It follows that considerable sections of the leader reef are being prospected at virtually no extra cost, and these disclosures may in time warrant an increase in milling capacity sooner than would otherwise have proved possible. It was also disclosed at the last annual meeting that uranium values on leader reef had been really rich.

The Freddie's Consolidated report is also heartening in that it shows a continuation of the payshoot in the 17 Haulage east of No. 2 north shaft. The good development in this shoot is largely responsible for the improvement in average development results. No less important is the fact that the loss on gold mining operations was reduced to £12,803 (June quarter loss £55,160) after bringing in the uranium profit of £60,000. In addition to this working loss, interest charges cost £15,739. The cost of all

development is now being charged to working costs. Only 1,500 Free State Geduld shares were sold during the quarter, the shareholding at September 30, 1956, being 231,500, so that the company still has quite considerable funds to draw on when necessary.

Generally speaking the quarterly reports of the companies in the General Mining Group were good. Buffelsfontein recorded an appreciable expansion in underground reef development, the footage developed advancing from 7,288 ft. in the June quarter to as much as 21,350 ft. Of this, 4,180 ft. were sampled all of which proved payable and averaged 481 in. dwt. The higher development rate achieved was made possible by the improved facilities at the Pioneer main shaft. The crushing section of the company's gold reduction plant has been completed and trial milling is expected to start next month.

Development values at Stilfontein, showing 89 per cent payability and averaging 500 in. dwt. was a noticeable improvement on the 87 per cent payability and 423 in. dwt. in the June quarter. At this mine the Margaret shaft reached a total depth of 3,924 ft. but sinking operations have been temporarily suspended to enable development operations to be commenced between 10 and 14 levels. Results from West Rand Consolidated also showed a marked improvement over the June three months both in development values, up from 281 in. dwt. to 376 in. dwt., and working profits which rose to £616,234 against £594,679.

(See also Page 17)

GENERAL MINING & FINANCE CORPORATION, LIMITED

(Incorporated in the Union of South Africa)

GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 30th SEPTEMBER, 1956
All companies mentioned are incorporated in the Union of South Africa

WEST RAND CONSOLIDATED MINES, LTD.

	North and South Plants	West Plant	Combined Plants
Ore Milled—tons	505,000	226,000	731,000
Gold Produced—ounces fine	67,612	8,281	75,893
Recovery per ton—dwt.	2.68	0.73	2.08
WORKING REVENUE AND EXPENDITURE:			
Net Profit from Uranium, being Gross Revenue less recovery costs (subject to adjustment)	£	£	£
Revenue from Gold	847,487	964,000	964,000
TOTAL WORKING REVENUE	847,487	1,067,793	1,915,280
Working Costs (Gold only)	824,247	437,486	1,261,733
WORKING PROFIT	23,240	630,307	653,547
Sundry Revenue	36,686	473	37,159
TOTAL PROFIT	59,926	630,780	690,706
	s. d.	s. d.	s. d.
Working Revenue — per ton milled	33 7	94 6	52 5
Working Costs — per ton milled	32 8	38 9	34 6
Working Profit — per ton milled	11	55 9	17 11
Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956			£8,127
Provision for Taxation			£259,000
Eleventh quarterly instalment towards repayment of Uranium Loan			
Funds received up to 31st December, 1954, (made up of Capital £55,493 and Interest £18,979)			£74,472
Capital Expenditure:			
(a) Normal (excluding Uranium Plant)			£29,074
(b) Uranium Plant			£12,301
TOTAL			£41,375

all of which will be appropriated from profits.

DEVELOPMENT.—The total footage advanced during the quarter was 31,577 ft. of which 15,971 ft. were accomplished on the Bird Reef Series, and 15,606 ft. on the Main, Livingston and Kimbrey Reef Series. Of the latter footage 6,160 ft. were sampled, giving the results shown.

	Footage payable	Percentage payable	Av. dwt.	Reef width, in.	Channel width, in.	In. dwt.
Main Reef	2,005	69.62	11.76	40.73	479	
South Reef	695	43.30	9.79	23.47	230	
Livingston Reef	840	50.15	4.87	51.70	252	
Kimbrey Reef						
Totals	3,540	57.47	9.42	39.95		376

The above values represent actual results of sampling, no allowance having been made for any reductions which, subsequently, may be considered necessary when compiling the Ore Reserve.

Of the 15,971 ft. advanced on the Bird Reef Series, 6,405 ft. were sampled, of which 5,430 ft., equivalent to 84.78 per cent, proved payable on a combined Gold/Uranium content.

STH. ROODEPOORT MAIN REEF AREAS, LTD.

Ore milled, tons	87,000	Gold produced, oz. fine	20,261
	Recovery per ton, dwt.		4.66
WORKING REVENUE AND EXPENDITURE:			
		Per Ton Milled	
		£	s. d.
Working Revenue		253,972	58 5
Working Costs		181,917	41 10
WORKING PROFIT		72,055	16 7
Sundry Revenue		2,073	
TOTAL PROFIT		74,128	

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956 — £1,940.

Provision for Taxation .. £30,100
Capital Expenditure .. £7,844

DEVELOPMENT:
Total Footage 7,903
Footage sampled 3,065
Footage payable 1,085
Percentage payable 35.4
Value payable dwt./ton 8.6
Width, in. 30
In. dwt. 258

The above values represent actual results of sampling, no allowance having been made for any reductions which subsequently may be considered necessary when compiling the Ore Reserve.

BUFFELSFONTEIN GOLD MINING CO. LTD.

PIONEER MAIN SHAFT.—The 20 in. diameter air column was installed and commissioned during the quarter, and satisfactory progress has been made in the installation of the main 10-in. pump column and 6-in. sludge column.

Additional rock loading equipment has been installed and all hoisting facilities are now available for the handling of men, material and rock.

The main ore and waste pass systems between 8 and 14 Levels were completed and commissioned during the quarter.

Good progress has been made with the cutting and arching of the main pump chamber and the installation of pumps has commenced. The first clear water sump and settling sump have been completed.

Arrangements were completed for the handling of spillage in the shaft.

DEVELOPMENT.—As a result of the improved facilities at the Pioneer Main Shaft, it was possible to increase the rate of development during the quarter and the total footage advanced was 21,353 ft. Of this 4,206 ft. were on Vaal Reef and 4,180 ft. were sampled giving the following results:

	Footage Payable	Per cent Payable	Av. value dwt./ton	Reef Channel Width, in.	In.-dwt.
Vaal Reef	4,180	100.0	11.71	41.1	481

STOPING.—Preliminary stoping operations have commenced and ore from this source has been stock-piled on surface in anticipation of the start of milling operations.

REDUCTION PLANT.—The crushing section is complete and satisfactory progress has been made in all other portions of the plant. It is anticipated that trial milling will commence during November.

STILFONTEIN GOLD MINING CO. LTD.

(Incorporated in the Union of South Africa)

REPORT OF THE DIRECTORS
FOR THE QUARTER ENDED 30th SEPTEMBER, 1956
Tons milled .. 273,000 Gold produced (oz.) .. 107,835
Recovery per ton (dwt.) .. 7.900

	£	Per ton milled	Per oz. fine
GOLD:			
Working Revenue	1,355,001	99/3.2	251/3.7
Working Cost	720,362	52/9.3	133/7.3
WORKING PROFIT	634,639	46/5.9	117/8.4

URANIUM AND ACID:
WORKING PROFIT (subject to adjustment) .. 196,067
TOTAL WORKING PROFIT .. £830,706

Additional Revenue received during the Quarter in respect of Gold sold to the Reserve Bank for the period February to July 1956 — £12,154.

Capital Expenditure (Gold) .. £244,121
Capital Expenditure (Uranium) .. Cr. £83,758
Capital Expenditure (Acid) .. £90,003
Uranium and Acid Loans Repayment, Capital and Interest .. £153,240
Amortisation contributions received from other participants in the Uranium Joint Production Scheme .. £61,214

DEVELOPMENT.—The total footage advanced during the Quarter was 12,373 ft. Of this total, 5,016 ft. were on reef and 4,950 ft. were sampled, giving the following results:

	Footage payable	Per cent payable	Av. value dwt./ton	Reef Channel Width, in.	In. dwt.
Vaal Reef	4,365	90.2	107.0	4.7	503
Contact Reef	40	36.4	15.2	13.6	207
Total	4,405	89.0	104.2	4.8	500

SHAFT SINKING.—The Margaret Shaft has reached a total depth of 3,924 ft. Sinking Operations have been temporarily suspended to enable development operations to be commenced between 10 and 14 levels.

ELLATON GOLD MINING CO. LTD.

Tons milled 98,000 Gold produced (oz. fine) 21,164
Recovery per ton milled (dwt.) .. 4.319

	£	Per Ton milled	Per oz. fine
GOLD:			
Working Revenue	£265,910	54/3.2	251/3.4
Working Cost	£204,500	41/8.8	193/3.0
WORKING PROFIT	£ 61,410	12/6.4	58/0.4

URANIUM:
WORKING PROFIT (subject to adjustment and after deduction of amounts paid in respect of the use of the Stilfontein plant) .. £ 40,953

TOTAL WORKING PROFIT .. £102,363

Additional Revenue received during the Quarter in respect of Gold sold to the Reserve Bank for the period July to September, 1956 — £2,648

Capital Expenditure (Gold) .. £ 13
Capital Expenditure (Uranium) .. Cr. £ 895
Loan Repayments, Capital and Interest:
Uranium Loans .. £ 16,112
Other Loans .. £124,844

Amortisation Contributions received from other participants in the Uranium Joint Pumping Scheme .. £ 12,153

DEVELOPMENT.—The total footage advanced during the quarter was 6,402 ft. Of this total, 1,982 ft. were on reef and 1,965 ft. were sampled, giving the following results:

	Footage Payable	Per cent Payable	Av. value dwt./ton	Reef Channel Width in.	In.-dwt.
Vaal Reef . . .	985	50.1	13.9	21.8	303

ELECTRIC POWER SUPPLY.—The supply of electric power has been adequate for the present scale of operations and provision has been made for increasing requirements in the immediate future.

COMPRESSED AIR SUPPLY.—During the quarter, the first compressor unit of 35,000 c.f.m. was commissioned and work is proceeding on the second unit.

EUROPEAN HOUSING.—In Stilfontein Township, the Company owns 281 completed houses and a single quarters block comprising 80 rooms. A further 72 houses are under construction. Of the 40 houses to be erected on the mine property, 28 have been completed and 12 are under construction.

NATIVE HOUSING.—In the permanent Compound, 208 rooms have been completed, providing accommodation for 3,328 labourers. A further 52 rooms are under construction. Native married quarters have been provided to accommodate 30 families.

LABOUR.—The number of employees in service as at 30th September, 1956, was:

	Company	Contractors
Europeans	539	157
Natives	3,175	691

CAPITAL EXPENDITURE.—Capital Expenditure for the quarter amounted to £1,128,043.

URANIUM.—The Company has been formally accepted by the Atomic Energy Board of South Africa as a producer of uranium and construction of the plant is in progress. Application has been made for permission to construct two further plants for the production of pyrite concentrates and sulphuric acid.

ESSENTIAL INFORMATION FOR INVESTORS IN GOLD SHARES

Is the information published by the gold mining industry for investors adequate for the purpose? This question has a special pertinence at a time when the F.T. gold share index has recently hit an all-time low. No one could suggest that the investor does not receive a great deal of information. Whether the essential information is always there in a readily assimilable and comparative form is more debatable. In reprinting here a most timely article from the *South African Engineering and Mining Journal* we would like to express our appreciation of a useful contribution to this vexed subject.

MANY explanations have been offered for the low level of activity on the Johannesburg Stock Exchange—the index for January-August is down about a third on last year and more than half on 1948—and for the friendliness of gold shares. But before finally pinning the blame on the credit squeeze, the rise in working costs, the unfavourable Press that South Africa has been receiving overseas, or the combined effect of all these influences, those who seek the root of the trouble should ask themselves to what extent investors have been baffled out of the Kaffir market.

NOT AN EXACT SCIENCE

Valuation of gold shares has never been an exact science, but it used to be possible for the intelligent investor or the professional share analyst to make reasonable estimates, based on published information, of the worth of gold shares—estimates that had to be reviewed periodically in the light of developments at the mines or changes in the factors governing distributable profits, but estimates nonetheless that afforded a basis for trading in gold shares.

To-day, however, there are so many unknowns and pitfalls between the investor and the answer he seeks that few outside the technical departments of the mining houses can tackle the problem of valuing gold shares with confidence—and confidence is the *sine qua non* of active markets. The investor runs like a stag from uncertainty.

There are signs that the leaders of the gold mining industry, which has led the company world in the volume of information given to shareholders, is alive to this problem and is feeling its way towards a solution. Some groups have revised their methods of presenting information to shareholders in monthly, quarterly and annual reports, and most chairmen now try to give shareholders a clear picture of the position at the mine, either in the chairman's statement or at the annual meeting.

Paradoxically, however, some of the new systems of reporting adopted to help shareholders have served to blur the whole picture, for when a profit is struck one way at mine A and another at mine B many investors are trapped into drawing false comparisons and conclusions. We must hope that this is merely a passing hazard—that the mining houses are experimenting and will eventually agree upon a uniform system of presenting results.

But something more than uniformity of presentation is needed if the investor, as distinct from the short-term speculator, is to be tempted back into the Kaffir market. He, or his adviser, must have more data. While the situation is still fluid, therefore, it is worthwhile examining what information ought to be given if gold shares are to revert from a gambling to an investment field.

The ideal is that directors should ask their own experts what information about a mine they must have before they can estimate future dividends and the break-up value, which together determine the value of a gold share when reduced to a present value using the interest rate required from the investment. What those experts need the investor obviously also needs, but he requires in addition some spoonfeeding by way of a review of the position at the mine and plans for the future.

This ideal cannot be attained at present because the mines are precluded from publishing details of uranium tonnages, revenue, costs and grades; but shareholders might at least be given a rough indication of what uranium profits are expected, as was done by the Harmony company; and it would be helpful if all mines would announce their estimated uranium, acid and pyrite profits monthly, gross, giving the details of loan repayment and interest in the quarterly reports.

Disregarding uranium, it can be said that to value a mine one must estimate the life of the property; the liquidation value of equipment, property, and other assets; and the dividends likely to be paid before the breakup stage is reached.

When dealing with a young mine the investor does not concern himself overmuch whether the life of the mine is 30 years or 35 years. Nor is the break-up value important, for the present value of far distant payments is too small to affect his calculations significantly. His important task is to estimate the likely build-up of dividends to the point where the mine reaches full production, and if he is to be enabled to do this he must be given more guidance than he usually receives.

IMPROVED PROSPECTUSES

The prospectus of a coal mining company usually embodies the opinion of the company's technical consultant about the tonnage available; the desirable scale of operations, the estimated costs of bringing the mine to full production and of operating it thereafter at the proposed output. It is usual, too, to indicate the profits expected.

The prospectuses of gold mining companies should follow similar lines. Investors are entitled to know not only the proposals for and the estimated cost of bringing the mine to initial production, but also how many shafts it is thought will be needed to exploit the whole property, what ultimate milling rate is contemplated, and what the consulting engineer's ideas are about working costs and grade.

Everyone can be presumed to appreciate that initial plans are tentative and subject to considerable modification in the light of underground experience. The point is that the technical opinions

and estimates upon which the directors base their decision to go ahead with the venture and their long term planning should be fully disclosed when the public are invited to participate.

What is obvious to mining men is often far from obvious to the public, many of whom fondly imagine that two shafts would be adequate to exploit a Free State mine for many years after production started and based their dividend estimates on that assumption. Share price fluctuations during recent years show clearly enough that the investing public, however unreasonably, has been repeatedly and unpleasantly surprised by announcements of fresh capital expenditure plans.

Understandably, directors are chary about disclosing long range plans because these may easily be upset by unforeseen circumstances. But they should risk criticism on this score to help the obviously largely unsophisticated investors in the mining market.

MORE UNIFORMITY REQUIRED

It seems important, too, that investors should be helped with estimates of grade and costs. Perhaps investors should have realized by now that, interpreted in terms of likely milling grade, development values of, say, 500 in. dwt. mean vastly different things in the Free State and Klerksdorp fields. But clearly the implications of the high percentage of sorting possible in the Klerksdorp area have not yet sunk home.

It may be noted at this point that few investors realize, though they should do, that Union Corporation mines announce development values after adjustment for ore reserve purposes while other groups report values before making such adjustments. Without debating relative merits of the two systems one can plead for uniformity to obviate the risk of confusing investors.

So much for new mines. On older mines the relationship between development values and grade are well established, and most have completed their major capital expenditure programmes. But the investor in this group is gravely handicapped by having little or no idea of the life of the mine or the liquidation value of the assets.

It is probably true that the lives of the older mines are widely over-estimated and that the final swift decline in profitability takes most shareholders by surprise. In an inflationary period during which ore payable to-day may be unpayable tomorrow, directors are understandably reluctant to give estimates of remaining lives. But such estimates have to be made to compute silicosis liabilities, and the estimates used in such calculations should be published, without the directors accepting responsibility for them.

On the question of break-up value the investor is baffled by the system employed in presenting balance sheets for gold min-

(Continued on page 20)

ANGLO-TRANVAAL CONSOLIDATED INVESTMENT CO. LIMITED

Mining Companies' Directors' Reports for Quarter Ended 30th September, 1956

Following are the reports on work done during the quarter ended 30th September, 1956

ANGLO-TRANVAAL COLLIERIES, LIMITED

The Sales Output of the Subsidiary Collieries controlled by this Company for the quarter ended 30th September, 1956, totalled 279,048 tons.

CONSOLIDATED MURCHISON (TRANVAAL) GOLDFIELDS & DEVELOPMENT COMPANY, LIMITED

PRODUCTION.—Tons crushed 45,163.
Estimated Profit from Antimony and Gold £212,318
TAXATION.—£155,000 in respect of profits amounting to £546,905 for the nine months ended 30th September, 1956.
CAPITAL EXPENDITURE.—£1,192.

DEVELOPMENT.—During the quarter the development footage accomplished amounted to 3,482 ft. all of which was developed in connection with the antimony/gold ore bodies.

2,506 ft. were sampled, and 438 ft., equal to 17 per cent., proved to be payable on account of the combined antimony and gold content.

EASTERN TRANVAAL CONSOLIDATED MINES, LIMITED

PRODUCTION.—Tons milled 60,000, yielding 17,594 ounces fine of gold.
Revenue from Gold £221,325
Working Costs £181,337
Working Profit £39,988
Sundry Mining Revenue £4,099
Total Profit for Quarter £44,087

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July 1956, £2,304.
DEVELOPMENT.—Footage advanced amounted to 11,589 ft.

CAPITAL EXPENDITURE.—The net amount charged to Capital Expenditure during the quarter was £50,091.

SHAFT SINKING.—Agnes Gold Mine.—The Cesca Sub-vertical Shaft was sunk 16 ft. to a depth of 284 ft. below the 17th level.

MAMRE GOLD MINE.—Due to the lack of adequate tonnages of payable ore the scale of operations at Mamre Gold Mine is being reduced.

HARTEBEESTFONTEIN GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled 201,000, yielding 97,998 ounces fine of gold.
Revenue from Gold £1,231,325
Working Costs £ 660,750
Working Profit £ 570,575
Sundry Revenue £ 7,500
Total Profit for Quarter £ 578,075

Per Ton Milled
122s. 6d.
65s. 9d. (134s. 10d. per ounce fine)
56s. 9d.
9d.
57s. 6d.

Working costs per ton, 65s. 9d., include 12s. 6d. in respect of development expenditure.

Interest, amounting to £30,904, on loans raised by the Company, has not been taken into consideration in calculating the total profit shown above.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July 1956—£9,832.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—Nil.

DEVELOPMENT.—Footage advanced 19,580 ft.

Sampling results of development on Vaal Reef at No. 1 Shaft:—
Footage sampled 4,590
Channel width—inches 11.2
Inch-dwts. 436
Payable footage (92.2%) 4,230
Channel width—inches 11.6
Inch-dwts. 464

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

CAPITAL EXPENDITURE.—Total for the quarter £885,093. This amount includes £72,726 in respect of excess development and £470,738 on the uranium plant.

To the capital expenditure of £949,342 in the report for the quarter ended 30th June, 1956, should be added additional capital expenditure of £526,122 which had been incurred and has been brought to account in respect of the financial year ended 30th June, 1956.

MINE BUILDINGS AND PLANT.—The third milling unit in the reduction plant has been installed. The conversion of the other two milling units from ball grinding to pebble grinding is in progress.

Extensions to the cyanide section are proceeding satisfactorily.

Construction work on the uranium plant was sufficiently advanced to permit of test running being commenced towards the end of September.

The mine railway line to serve the uranium plant has been completed and is in use.

The Duff Scott Memorial Hospital for the Native employees of Hartebeestfontein, Buffelsfontein, Stilfontein and Ellaton mines has been completed and is in use.

The Electricity Supply Commission has installed two more 5,000 K.V.A. transformers, and the erection of a third power line to serve the mine is in progress. Work on the extensions to the workshops has commenced.

EUROPEAN HOUSING.—48 houses were completed during the quarter bringing the total built to 512. Work is proceeding on a further 6 houses. The block of 33 flats is nearing completion.

NATIVE ACCOMMODATION.—Additional quarters for single Natives have been provided and the Administration Buildings were completed.

The building of 33 semi-detached units, comprising portion of the Native married quarters, has been completed.

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 757. Natives: 5,198.

RAND LEASES (VOGELSTRUISFONTEIN) GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled 548,000, yielding 84,114 ounces fine of gold.
Revenue from Gold £1,055,940
Working Costs £1,042,700
Working Profit £ 13,240
Sundry Revenue £ 6,500
Total Profit for Quarter £ 19,740

Per Ton Milled
38s. 7d.
38s. 1d. (247s. 11d. per ounce fine)
6d.
3d.
9d.

Working costs per ton, 38s. 1d., include 4s. 1d. in respect of development expenditure.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956—£9,495.

ESTIMATED TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—£1,100 in respect of profits amounting to £19,740 for the quarter ended 30th September, 1956.

GENERAL.—A programme of intensive sweeping and reclamation has commenced in the old workings of No. 6 Shaft.

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 1,219. Natives: 7,886.

DEVELOPMENT.—Footage advanced—16,561 ft.

Sampling results obtained:—

	FOOTAGE SAMPLED			PAYABLE		
	Footage	Channel Width (in.)	In. dwt.	Footage	%	Channel Width (in.) dwt.
Main Reef	955	32.9	131	410	42.9	29.0
Main Reef Leader	3,515	12.7	150	1,420	40.4	17.4
South Reef	955	11.3	122	370	38.7	14.0
Total: Main Reef Series	5,425	16.0	142	2,200	40.6	19.0
Bird Reef	1,550	49.8	135	840	54.2	46.5
Kimberley Reef	1,830	58.7	165	1,040	56.8	56.4
Totals and Averages	8,805	30.8	145	4,080	46.3	34.2

(The above results are based on actual sampling. No allowance has been made for adjustment's necessary in the valuation of the corresponding Ore Reserve.)

CAPITAL EXPENDITURE.—The net amount charged to Capital Expenditure during the quarter was £43,754.

MIDDLE WITWATERSRAND (WESTERN AREAS) LIMITED

MINERAL RIGHTS.—The Company has disposed of the following mineral rights:—

- (a) An area of 1196.1345 morgen, in the Adendaalsrus District, to Riebeeck Gold Mining Company, Limited ;
 (b) An area of 1981.679 morgen, being a portion of the Townlands of Klerksdorp, to Zandpan Gold Mining Company, Limited ;
 (c) Approximately 17 morgen, situated on the Townlands of Klerksdorp, to New Klerksdorp Gold Estates, Limited.

As a result of the above the Company's holdings in the Odendaalsrus and Klerksdorp District are now as follows :—

NEW KLERKSDORP GOLD ESTATES, LIMITED

PRODUCTION. —Tons milled 34,000, yielding 3,746 ounces fine of gold.			
		Per Ton Milled	
Revenue from Gold	£47,052	27s. 8d.	
Working Costs	£62,609	36s. 10d. (334s. 4d. per ounce fine)	
Working loss	£15,557	9s. 2d.	
Sundry Revenue	£ 1,641	1s. 0d.	
Net loss from Gold Production	£13,916	8s. 2d.	
Estimated Profit from Uranium Production	£30,000		
Total profit for quarter	£16,084		

The following amounts have not been taken into consideration in calculating the profit and loss shown above :—

Loans obtained for gold production—Interest	£ 602
Loans obtained for uranium production—Interest	£ 639
Loan repayments	£1,613 £2,252
TOTAL	£2,854

Odendaalsrus District—an undivided half-share in the mineral rights of the farm Wesselsgunst No. 261, which is 58 morgen in extent ;

Klerksdorp District—an area of approximately 2,270 morgen.

The Company retains its interest in mineral rights in the Virginia area.

During the quarter the Company abandoned Mineral Option Contracts over approximately 31,400 morgen in the Hoopstad and Boshof Districts. The Company has obtained participations in several prospecting ventures in Northern and Southern Rhodesia.

PROSPECTING.—Standerton-Leslie Area.—Three boreholes were completed but no reef horizons of economic importance were intersected. Drilling has been suspended.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956, £454.

TAXATION.—Nil.

DEVELOPMENT.—Footage advanced 1,765 ft.

Sampling results of development on Commonage Reef :—

Footage sampled	1,465
Channel width—inches	25.0
Inch-dwts.	66
Payable footage (22.5%)	330
Channel width—inches	40.0
Inch-dwts.	160

(The above results are based on actual sampling. No allowance has been made for the adjustments necessary in the valuation of the corresponding Ore Reserve.)

CAPITAL EXPENDITURE.—Total for the quarter £1,011. This amount includes £753 on uranium plant.

SHAFT SINKING AND EQUIPPING.—No. 6 Sub-incline Shaft : A rock-pass to handle development waste has been brought into commission.

LABOUR.—The labour strength at the end of the quarter was :—Europeans : 75, Natives : 619.

MERRIESPRUIT (ORANGE FREE STATE) GOLD MINING COMPANY, LIMITED

PRODUCTION. —Tons milled 204,000, yielding 49,292 ounces fine of gold.			
		Per Ton Milled	
Revenue from Gold	£619,377	60s. 9d.	
Working Costs	£583,012	57s. 2d. (236s. 7d. per ounce fine)	
Working Profit	£ 36,365	3s. 7d.	
Sundry Revenue	£ 10,100	1s. 0d.	
Total Profit from Gold production	£ 46,465	4s. 7d.	
Estimated Profit from Uranium Production	£ 18,388		
Total profit for quarter	£ 64,853		

Working costs per ton, 57s. 2d., include 10s. 1d. in respect of development expenditure.

The following amounts have not been taken into consideration in calculating the profit shown above :—

Debiture and Loan Stocks, Bank Overdraft—Interest	£62,176
Loans obtained for Uranium production—Interest	£3,969
Loan Repayment	£8,266 £12,235
Total	£74,411

Production during September was seriously affected by an inrush of water which occurred in 31 crosscut south. A concrete plug has been built in this crosscut to seal off the water, and cementation of the fissure is in progress.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July 1956, £5,205.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—Nil.

DEVELOPMENT.—Footage advanced 8,333 ft.

This footage was inadequate for the requirements of the mine. The achievement of the planned footage has not been possible due to delays caused by the intersection in development ends of water bearing fissures. Some of these fissures are unusually wide and consequently long periods of injection of cement are necessary.

Sampling results of development on Leader and Basal Reefs :—

	Leader Reef	Basal Reef	Totals and Averages
Footage sampled	525	2,455	2,980
Channel width—inches	54.1	24.0	29.3
Inch-dwt.	189	234	226
PAYABLE FOOTAGE SAMPLED :			
Payable footage	225	1,635	1,860
	(42.9%)	(66.6%)	(62.4%)
Channel width—inches	51.4	27.5	30.4
Inch-dwt.	278	323	318

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

CAPITAL EXPENDITURE.—Total for quarter £475,177. This amount includes £107,572 in respect of excess development and £619 on uranium plant.

MINE BUILDINGS AND PLANT.—No. 1 Shaft.—Work on the permanent building for the lamp room and native checking office is nearing completion.

A mine railway line from the Exchange Yard to the mine store and to the reduction works is being constructed.

The second underground fan on the 35th level was brought into commission.

The provision of permanent pumping arrangements is proceeding. Four of the permanent clear-water pumps have been installed.

An area contiguous to the lease area has been purchased for the disposal by evaporation of water pumped from underground.

EUROPEAN HOUSING.—52 houses were completed during the quarter, bringing the total built to 398 houses. Work is proceeding on a further 53 houses and on extensions to the single quarters.

NATIVE ACCOMMODATION.—Extensions to the compound were completed and accommodation for the present complement of Native labour is now adequate.

LABOUR.—The labour strength at the end of the quarter was :—Europeans, 585, Natives, 5,325.

VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED

PRODUCTION. —Tons milled 101,500, yielding 15,461 ounces fine of gold.			
		Per Ton Milled	
Revenue from Gold	£194,822	38s. 5d.	
Working Costs	£169,044	33s. 4d. (218s. 8d. per ounce fine)	
Working Profit	£ 25,778	5s. 1d.	
Sundry Revenue	£ 946	2d.	
Total Profit for Quarter	£ 26,724	5s. 3d.	

Working costs per ton 33s. 4d., include 3s. 9d. in respect of development expenditure.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July 1956—£1,306.

ESTIMATED TAXATION.—£6,000 in respect of profits amounting to £26,724 for the quarter ended 30th September, 1956.

DEVELOPMENT.—Footage advanced 3,370 ft. Reconditioning footage 3,390 ft. Underground diamond drilling as an aid to development and in exploratory work 269 ft.

CAPITAL EXPENDITURE.—The net amount charged to Capital Expenditure during the quarter was £5,927.

REDUCTION PLANT.—In order to improve milling efficiencies, modifications to the reduction plant are in progress.

RECONDITIONING.—No. 2 Shaft and its hoist have been reconditioned. Re-opening of old workings in this area have commenced.

LABOUR.—The labour strength at the end of the quarter was :—Europeans, 194, Natives, 1,991.

(Continued on page 20)

VIRGINIA ORANGE FREE STATE GOLD MINING COMPANY, LIMITED

PRODUCTION. —Tons milled 261,000, yielding 60,717 ounces fine of gold.			
		Per Ton Milled	
Revenue from Gold	£762,855	58s.	5d.
Working Costs	£623,714	47s.	9d. (205s. 5d. per ounce fine)
Working profit	£139,141	10s.	8d.
Sundry Revenue	£ 20,000	1s.	6d.
Total Profit from Gold Production ..	£159,141	12s.	2d.
Estimated Profit from Uranium Production ..	£337,060		
Estimated Profit from Acid Production ..	£ 68,937		
Total profit for Quarter	£565,138		
Working costs per ton, 47s. 9d., include 7s. 9d. in respect of development expenditure.			
Due to insufficient demand, the production of acid was below the normal capacity of the plant.			
The following amounts have not been taken into consideration in calculating the profit shown above:			
Debtenture and Loan Stocks, Housing Loans and Bank Overdraft—Interest			£ 69,606
Loans obtained for Acid and Uranium Production—Interest ..	£ 60,797		
—Loan Repayment	£126,596		
			£187,393
TOTAL			£256,999

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period February/July, 1956—£6,274.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—Nil.

DEVELOPMENT.

Footage advanced: 12,826 ft.	
Sampling results of development on Basal and Leader Basal Reefs:—	
Footage sampled	4,615
Channel width—inches	38.0
Inch.Dwt.	233
Payable footage (41.3%)	1,905
Channel width—inches	38.6
Inch.Dwt.	417

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

CAPITAL EXPENDITURE.—Total for the quarter £343,916. This amount includes £102,226 in respect of excess development and £19,035 on uranium and acid plants.

MINE BUILDINGS AND PLANT.—Alterations in the milling section of the plant have increased the nominal capacity to 108,000 tons per month.

The permanent Rock Drill shop was completed. Work on the permanent Lamp Room and the railway line into the storeyard is in progress.

A conveyor belt was installed in No. 1 Shaft headgear to make the west compartment available for rock hoisting when the deepened portion of the shaft is commissioned.

EUROPEAN HOUSING.—5 houses were completed, bringing the total provided at the end of the quarter to 489. Work is proceeding on one additional house.

NATIVE ACCOMMODATION.—An additional block of rooms to house 300 single Natives was completed during the quarter.

SHAFT SINKING.—No. 1 Shaft was sunk 67 ft. to a depth of 4,475 ft. below the collar. The loading boxes below the 31st level were excavated.

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 844. Natives: 5,644.

ing companies. He could be helped if the companies showed separately, and depreciated, plant and equipment, and also property and houses at cost if not at directors' valuation. A plan showing the freehold and the portion covered by dumps, as has been issued by Robinson Deep, would also be very helpful.

It is impossible to estimate future dividends without first estimating lease consideration and taxation liabilities, but these liabilities cannot be closely estimated unless the allowance for unredeemed capital expenditure can be calculated. Dominion Reefs gave a lead here, that should be followed, by giving details of assessed loss for tax purposes and unredeemed capital expenditure.

Because of shortage of labour, few mines have been able to mill at capacity

in recent years. Perhaps, however, the day will come when the full labour requirements of the mines are met, and it would be helpful if the effective capacities of reduction plants were stated in the annual reports.

PICK THE ESSENTIAL DATUM

In the monthly reports it is customary to announce the ounces declared. For most investors this figure is important only because it enables them to calculate the grade. Why not therefore substitute the grade, to two decimal places, for the ounces figure?

Some investors concentrate on costs per ton, others on cost per oz. Most mines satisfy everyone by reporting both, but it would help investors to interpret trends in working costs if all mines

would adopt the practice of the few that publish in their quarterly reports the portion of cost per ton accounted for by development and, where this is charged to working costs, shaft sinking.

Some mines include sundry revenue or expenditure in monthly working profits, others do not; some show capital credits in their quarterly reports and others do not. Most investors would like to have monthly reports confined to straight working profits from gold and uranium, and the sundries brought into the quarterlies along with interest payments and debits or credits of a capital nature; but most would probably be content with nearly any system so long as they are conceded uniformity that would make possible, without laborious adjustments, comparisons between mines.